

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT MAY BE REVISED TO REFLECT EVENTS THAT OCCUR AFTER THE DATE HEREOF BUT PRIOR TO THE BANKRUPTCY COURT'S APPROVAL OF THE DISCLOSURE STATEMENT.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA**

In re:

CRAIG COUNTY HOSPITAL AUTHORITY,
a Public Trust,

Debtor.

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Case No. 15-10277
Chapter 9

**FIRST AMENDED
DISCLOSURE STATEMENT WITH RESPECT TO
THE PLAN FOR THE ADJUSTMENT OF DEBTS OF
CRAIG COUNTY HOSPITAL TRUST**

1. INTRODUCTION AND OVERVIEW

1.1. Introduction

Craig County Hospital (“the Hospital” or the “Debtor”) is the Debtor in the above-captioned Chapter 9 Case pending before the Honorable Terrence L. Michael, United States Bankruptcy Judge for the Northern District of Oklahoma. The Hospital filed a Voluntary Petition for relief under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on February 25, 2015, and the Northern District Bankruptcy Court (the “Bankruptcy Court”) entered an Order for Relief on October 13, 2015. The definitions contained in the Bankruptcy Code are incorporated herein by this reference. The definitions set forth in Section 2 of the Hospital’s First Amended Chapter 9 Plan of Adjustment (the “Amended Plan”) shall also apply to capitalized terms used herein that are not otherwise defined.

The Hospital filed the Amended Plan [Doc. 255] on October 28, 2016, a copy of which is attached hereto as **Exhibit “1”**. Because §1125¹ requires that a disclosure statement contain “adequate information” concerning the proposed bankruptcy plan, the Hospital’s First Amended Disclosure Statement (the/this “Disclosure Statement”) contains information regarding the Hospital’s Pre-Petition operating and financial history, significant events leading up to the commencement of this case, significant events that occurred during the pendency of this bankruptcy proceeding, the assets available for distribution under the Plan, and a summary of the Plan. This Disclosure Statement also describes the Plan and the confirmation process. The Hospital strongly urges you to review carefully

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532. “Rule” references are to the Federal Rules of Bankruptcy Procedure, and “Civil Rule” references are to the Federal Rules of Civil Procedure. References to “LBR” are to the Local Rules of Bankruptcy Practice of the United States District Court for the Northern District of Oklahoma.

the contents of this Disclosure Statement and the Plan (including the exhibits to each) before making a decision to accept or reject the Plan.

On _____, 2016, the Bankruptcy Court held a hearing and approved this Disclosure Statement as containing sufficient information to enable a hypothetical reasonable investor to make an informed judgment about the Plan. The Bankruptcy Court has not passed on the Plan itself or conducted a detailed investigation into the contents of this Disclosure Statement.

Your vote on the Plan is important. Absent acceptance of the Plan, there may be delays, which could jeopardize the future of the Hospital, which is the means of funding the Distributions to Creditors under the terms of the Plan. Any alternative to this Plan is unlikely to provide for Distribution of as much value to the Holders of Allowed Claims as does the Plan. Accordingly, the Hospital urges you to accept the Plan by completing and returning the enclosed ballot(s) by no later than _____, 2016, at 5:00 p.m. Central Time.

1.1.1. Disclaimer

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE HOSPITAL'S PROPOSED PLAN. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE DISCLOSURE STATEMENT IS TO PROVIDE "ADEQUATE INFORMATION" OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF THE HOSPITAL AND THE CONDITION OF THE HOSPITAL'S BOOKS AND RECORDS THAT WOULD ENABLE A HYPOTHETICAL REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN. SEE 11 U.S.C. § 1125(A). FOR THE CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY SUMMARY. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.

NO REPRESENTATIONS CONCERNING THE HOSPITAL'S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY THE

HOSPITAL OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION THAT ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

THE FINANCIAL INFORMATION CONTAINED HEREIN, UNLESS OTHERWISE INDICATED, IS UNAUDITED. MOREOVER, BECAUSE OF THE HOSPITAL'S FINANCIAL DIFFICULTIES, AS WELL AS THE COMPLEXITY OF THE HOSPITAL'S FINANCIAL MATTERS, THE BOOKS AND RECORDS OF THE HOSPITAL, UPON WHICH THIS DISCLOSURE STATEMENT IN PART IS BASED, MAY BE INCOMPLETE OR INACCURATE. HOWEVER, REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT ALL SUCH INFORMATION IS FAIRLY PRESENTED.

THE UNDERSIGNED BANKRUPTCY COUNSEL TO THE HOSPITAL HAS RELIED UPON INFORMATION PROVIDED BY THE HOSPITAL AND ITS FINANCIAL ADVISOR IN CONNECTION WITH PREPARATION OF THIS DISCLOSURE STATEMENT. COUNSEL HAS NOT INDEPENDENTLY VERIFIED ALL OF THE INFORMATION CONTAINED HEREIN.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH CREDITOR SHOULD CONSULT HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND OTHER MATTERS CONCERNING HIS, HER OR ITS CLAIM.

1.1.2. An Overview of the Chapter 9 Process

Chapter 9 of the Bankruptcy Code contains numerous provisions, the general effect of which is to provide the Hospital, as a “governmental unit” with “breathing space” within which to propose a restructuring of its obligations to third parties. The filing of a Petition for Relief under Chapter 9 of the Bankruptcy Code gives rise to the “automatic stay” which generally enjoins creditors from taking any action to collect or recover obligations owed by a debtor prior to the commencement of a Chapter 9 case. The Bankruptcy Court can grant relief from the automatic stay under certain specified conditions. The Hospital also continues to operate in the ordinary course on a day-to-day basis without Bankruptcy Court approval. Bankruptcy Court approval is only required for various enumerated kinds of

transactions (such as certain financing transactions) including but not limited to this Disclosure Statement and the Plan.

The Bankruptcy Code authorizes the creation of an official committee to protect the interests of unsecured creditors; however, no official committees have been appointed in this Chapter 9 Case.

A Chapter 9 debtor emerges from bankruptcy by successfully confirming a plan for the adjustments of its obligations. In this case, the Plan provides for the sale of all or substantially all of the Hospital's assets with the proceeds from the sale being used to pay creditors according to the terms of a plan approved by the Bankruptcy Court. A plan may be either consensual or non-consensual and provide, among other things, for the treatment and payment of the claims of creditors. The provisions of the Hospital's Plan are summarized below.

1.1.3. Plan Overview

The following is a brief overview of the material provisions of the Plan. This overview is qualified in its entirety by a summary of the Plan provisions below, as well as to a reference to the full text of the Plan. The Plan is attached hereto as **Exhibit "1"**² and is not substantially restated in this Disclosure Statement. It is strongly suggested that you read the summary below, and then review the Plan in detail. The attorneys for the Hospital are not permitted by law to give you any legal advice; consequently, you are urged to consult with your own lawyer for answers to any questions you may have about this Disclosure Statement and the Plan.

The Hospital's Plan provides for the sale of virtually all of its tangible assets to Saint Francis Hospital Vinita, Inc., which is a part of the Saint Francis Health System in Tulsa,

² Exhibits to this Disclosure Statement are indexed by numbers (eg. **Exhibit 1**) whereas the Exhibits to the Plan are indexed by letters (eg. **Exhibit A**).

Oklahoma (the “Buyer”) for cash (the “Sale”) to fund the payment of all of the Hospital’s obligations to repay its Secured Creditors, and a portion of its Unsecured Creditors. There are three separate contracts for discrete parts of the Hospital’s tangible assets.

The First Sale was for a 42 acre tract of unimproved surplus real property located in Vinita, Oklahoma at the price of \$2,000,000. The First Sale closed on September 30, 2016 and generated net cash proceeds after payment of customary closing costs of \$1,990,180.35 that were applied to the secured debts of the First National Bank of Vinita (“FNBV”). Part of the sales proceeds, in the amount of \$596,000, was used to pay off the secured Post-Petition line of credit and is now available to the Hospital for operations until the other Sales can be closed. The remainder of the sale proceeds was paid on secured obligations of FNBV such that the remaining balance of the Pre-Petition claim is now \$568,780.77.

For several months prior to the signing of the Purchase Agreements, the Hospital was operating at a loss. To avoid closure of the Hospital, FNBV allowed the Hospital to overdraft its primary operating account for as much as \$1,100,000. At the time of the closing on the First Sale, the Hospital was overdrawn by \$607,274.24. The overdraft was paid in full from the \$1,990,180.35 in sale proceeds from the First Sale that were paid to FNBV and \$882,906.11 was applied to FNBV’s Pre-Petition secured claim. FNBV believes that its lien rights in the real property sold at the First Sale included security for the overdrafts due to the language in FNBV’s Pre-Petition mortgage upon real property sold at the First Sale. Specifically, FNBV’s loan documents provided: “This mortgage is given to secure the payment and performance of . . . all future loans and advances and all future renewals of loans which Mortgagee may make to Mortgagor. . . and all other debts, obligations and liabilities of every kind and character of Mortgagor or Debtor now existing whether or not explicitly referred to, or arising in the future in

favor of the Mortgagee, whether direct or indirect, absolute or contingent. . .” The payment of the overdraft was not approved by the Bankruptcy Court; therefore, there may be a claim against FNBV for recovery of the same. This claim will be treated as one of the Recovery Claims for which the Creditor Trust will be solely responsible.

The Second Sale will be for the Hospital’s tangible assets, including the real property described as the Craig General Hospital in Vinita, Oklahoma, the Vinita Medical Office Tract and the Vinita Buildings, along with the majority of the remaining tangible assets of the Hospital for the price of \$2,335,063.

The Third Sale is for the medical clinic buildings and real property located in Grand Lake Medical Park of Langley in Vinita, Oklahoma, Grand Lake Medical Park of Monkey Island in Afton, Oklahoma, Welch Family Medicine in Welch, Oklahoma, the NEO Clinic Facility in Miami, Oklahoma for the price of \$5,664,937. The basic terms of the First Sale, Second Sale and Third Sale are set forth in the three documents that make up and are defined collectively as the Purchase Agreements in the Plan that are attached together to the Plan as **Exhibit “A-1,” “A-2” and “A-3”** (the “Purchase Agreements”). The aggregate gross amount of cash the Hospital will receive from the First Sale, Second Sale and Third Sale will be \$10,000,000, which is sufficient to pay in full all professional fees, cure costs, secured claims, Allowed 503(b)(9) Claims and after payment of the OPERS negotiated claim, return approximately 90-97% of Post-Petition unsecured claims. The Purchase Agreements shall be incorporated into the Plan as an integral part thereof. The First Sale, Second Sale and Third Sale are collectively included in the term “Sales.”

There is a \$147,000 CD at Spirit Bank to be released upon payoff of Spirit Bank’s Class 2 Claim that will be transferred to the Creditor Trust for distribution. After administration of the

accounts receivable by FNBV to pay off the second Post-Petition loan, a refund will be paid to the Creditor Trust of approximately \$250,000.00. These two transfers should increase the amount of distributions from the Creditor Trust so that the Post-Petition unsecured claims receive approximately 90 to 97% of Post-Petition unsecured claims.

The Plan provides for the classification and treatment of Claims against the Hospital. For classification and treatment of Claims against Hospital, the Plan designates nine (9) classes of Claims. These Classes and the proposed treatments for Holders of Claims in each class under the terms of the Plan take into account the differing nature and priority under the Bankruptcy Code of the various Claims. Allowed Secured Claims in Classes 4, 5, and 6 will be paid in full upon negotiated terms at the Closing of the Second Sale. Allowed Secured Claims in Classes 1, 2 and 3 will be paid in full upon negotiated terms at the Closing of the Third Sale. In addition, pursuant to the terms of the Purchase Agreements, the Hospital will purchase an insurance policy to provide extended coverage of all lines of insurance including D&O/EPL/fiduciary, cyber, professional liability, umbrella and pollution liability after the Closing of the Second Sale at a cost of approximately \$400,000 (the "Tail Policy"). After payment of these amounts, the balance of the available cash (the "Net Available Cash") shall be paid to the Creditor Trust.

The Creditor Trust will be established as a part of the Plan and will become responsible for managing the receipt and distribution of payments to all Non-Classified Claims and Class 7 Unsecured Creditors based upon the amount Net Available Cash. The Creditor Trustee will review the Pre-Petition transactions to determine if there are any claims that could be asserted against third parties to obtain additional funds for the benefit of the unsecured creditors (the "Recovery Funds"). The Creditor Trustee will review Claims and other obligations, file such objections to Claims as may be appropriate and distribute funds to Allowed Claims as

provided in the Plan. Generally, the Unsecured Claims arising both Pre-Petition and Post-Petition will be treated in Class 7 and based on information available as of the Filing of this Plan, the estimated Distributions to Class 7 should be between 90% and 97% of the Allowed Claims in Class 7. The percentage distribution will vary depending upon the amount of Post-Petition Unsecured Claims that obtain an Allowed Administrative Claim plus the additional funds discussed above. If any Recovery Funds are obtained, the same will be paid Claims in Class 7 on a Pro-Rata basis. Attached as Exhibit “2” is an estimate of the distribution of the \$10,000,000 in Sale proceeds pursuant to the terms of the Plan.

1.1.4. Summary of Classification and Treatment of Claims and Interests under the Plan

The following chart briefly summarizes the treatment of Creditors under the Plan. Actual amounts of Claims and Distributions will vary depending upon the amount of Claims filed, the outcome of objections to Claims, the cash flow resulting from the continued operations of the Hospital up to closing of the Second and Third Sales, recoveries on Recovery Claims, and costs of administration among other factors.

(1) Unclassified Claims

DESCRIPTION	TREATMENT
Post-Petition Claims of First National Bank of Vinita	Paid in full from the proceeds of the Sales and collection of Accounts Receivable.
Post-Petition Claims	Persons asserting general unsecured claims for services rendered and/or costs or expenses incurred after the Petition Date and prior to the Effective Date: (1) Shall have their claims Allowed based upon the procedure set forth §4.2.2 of the Plan. Allowed Post-Petition Claims shall be treated and paid as part of Class 7 paid pro rata from Available Funds by the Creditor Trustee pursuant to the terms of the Creditor Trust. AND (2) May File no more than forty-five (45) calendar days after the Effective Date a Motion to have their Claims Allowed as an Administrative Claim and in

	such event, shall be treated as an set forth below.
Cure Payments	Cure Payments shall be paid in full from the proceeds of the Sales no later than thirty (30) days after the entry of a Final Order determining any amounts are due.
503(b)(9) Claim	Allowed Claims paid in full without interest, on or before twenty (20) Business Days after the Closing.
Professional Fee Claims	Paid in full subject to a determination by the Court that the amount of such Claims is reasonable.
Administrative Claims	Holders of Unsecured Post-petition Claims shall be entitled to file a Motion for the allowance of an Administrative Claim. In the event the dollar amount of Allowed Administrative Claims exceeds the funds available to pay such claims, then each Holder of each Allowed Administrative Claims shall be deemed to have agreed to a Pro Rata Payment in full satisfaction of such Allowed Administrative Claim. Based on all information available to the Hospital as of the filing of the Plan, the Hospital believes there will be sufficient funds to pay Allowed Administrative Claims in full.

(2) Classified Claims

CLASS	DESCRIPTION	TREATMENT	IMPAIRED
1	Secured Claim of the First National Bank of Vinita	Paid in full upon negotiated terms as a part of the Closing of the Third Sale	Yes, entitled to vote
2	Secured Claim of Spirit Bank	Paid in full upon negotiated terms as a part of the Closing of the Third Sale	Yes, entitled to vote
3	Secured Claim of Arvest Bank	Paid in full upon negotiated terms as a part of the Closing of the Third Sale	Yes, entitled to vote
4	VFI-SPV VIII Corp. a/k/a/ Varilease Finance, Inc.	Paid in full upon negotiated terms as a part of the Closing of the Second Sale	No, not entitled to vote
5	Tetra Financial	Paid in full upon negotiated terms as a part of the Closing of the Second Sale	No, not entitled to vote

6	Key Equipment Finance Inc.	Paid in full upon negotiated terms as a part of the Closing of the Second Sale	No, not entitled to vote
7	General Unsecured Class of claims including both Pre-Petition and Post-Petition Claims.	Paid a Pro-Rata share of Available Funds pursuant to Terms of Creditor Trust. The estimated Distributions to Class 7 should be between 90% and 97% of the Allowed Claims in Class 7.	Yes, entitled to vote
8	Oklahoma Public Employees Retirement System	Paid \$1,171,096.53 in full satisfaction of their Claim upon Closing of the Second and Third Sale. In addition, the Hospital, upon confirmation of the plan, ceased to be a participating employer of OPERS effective December 1, 2014	Yes, entitled to vote
9	Insured Tort Claims	Recovery up to full amount of insurance policy.	Yes, entitled to vote

IMPORTANT NOTE

YOU SHOULD READ THE PLAN IN DETAIL TO UNDERSTAND THE DETAILS OF THE ASSET SALE AS WELL AS THE MANNER IN WHICH THE NET SALE PROCEEDS WILL BE DISTRIBUTED TO THE VARIOUS CLASSES OF CLAIMS.

1.1.5. Voting on the Plan

(1) Who May Vote

Each Holder of an Allowed Claim in Classes 1, 2, 3, 7, 8 and 9 (the “Voting Classes”) is entitled to vote either to accept or to reject the Plan. Only those votes cast by Holders of Allowed Claims shall be counted in determining whether acceptances have been received sufficient in number and amount to obtain a Confirmation Order. An Impaired Class

of Claims shall have accepted the Plan if: (a) the Holders (other than any Holder designated under § 1126(e) of the Bankruptcy Code) of at least two-thirds ($\frac{2}{3}$) in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan, and (b) the Holders (other than any Holder designated under § 1126(e) of the Bankruptcy Code) of more than one-half ($\frac{1}{2}$) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. In the event that any Class of Claims entitled to vote on the Plan fails to accept the Plan as required by § 1129(a) of the Bankruptcy Code, the Plan may be amended and, in any event, the Hospital reserves the right to seek confirmation of the Plan over such rejection pursuant to § 1129(b) of the Bankruptcy Code.

(2) How to Vote

All votes to accept or to reject the Plan must be cast by using the appropriate form of Ballot. No votes other than ones using such Ballots will be counted except to the extent ordered otherwise by the Bankruptcy Court. A form of Ballot is being provided to Creditors in the Voting Classes by which Creditors in such Classes may vote their acceptance or rejection of the Plan. The Ballot for voting on the Plan gives Holders of Claims in the Voting Classes one important choice to make with respect to the Plan – you can vote “for” or “against” the Plan. To vote on the Plan, after carefully reviewing the Plan and this Disclosure Statement, please complete the Ballot, as indicated thereon: (1) by indicating on the enclosed Ballot that (a) you “accept” the Plan or (b) “reject” the Plan, and (2) by signing your name and mailing the Ballot in the envelope provided for this purpose. All Ballots must be returned to the attorneys for the Debtor on or before the Voting Deadline. Please timely return your Ballot to Mark A. Craige, as set forth below. Mr. Craige will count the Ballots and report the results to the Court.

IN ORDER TO BE COUNTED, BALLOTS MUST BE COMPLETED, SIGNED AND RECEIVED BY THE VOTING TABULATOR NO LATER THAN 5:00 P.M. CENTRAL TIME ON January __, 2017 AT THE FOLLOWING ADDRESS:

Mark A. Craige
CROWE & DUNLEVY
A Professional Corporation
500 Kennedy Building
321 South Boston Avenue
Tulsa, Oklahoma 74103-3313
918.592.9800

DO NOT SEND YOUR BALLOT VIA FACSIMILE OR E-MAIL. IF YOUR BALLOT IS NOT PROPERLY COMPLETED, SIGNED AND RECEIVED AS DESCRIBED, IT WILL NOT BE COUNTED. IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY REQUEST A REPLACEMENT BY MAKING A WRITTEN REQUEST TO THE ADDRESS SHOWN ABOVE. FACSIMILE OR ELECTRONICALLY TRANSMITTED BALLOTS WILL NOT BE COUNTED.

1.1.6. Confirmation of the Plan

(1) Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a Confirmation Hearing at which it will hear objections and consider evidence with respect to whether the Plan should be confirmed. At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of Section 943(b) of the Bankruptcy Code described below are met.

The Bankruptcy Court will conduct a hearing on whether to approve this Disclosure Statement as containing “adequate information” of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Hospital and the condition of the Hospital’s books and records, that would enable a hypothetical reasonable investor typical of Holders of Claims or interests of the relevant Class to make an informed judgment concerning the Plan (the “Disclosure Statement Hearing”).

The Debtor filed this Disclosure Statement to provide the necessary information to make adequate disclosure to the Hospital's Creditors. The Debtor and its counsel have made a diligent effort to provide adequate information in this document. If you believe there is additional information critical to your determination of whether or not to vote for this Plan, please contact the attorneys for the Debtor, Crowe & Dunlevy, 321 South Boston Avenue, Tulsa, Oklahoma 74103. The attorney handling this case is Mark A. Craige, who may be contacted via telephone: 918.592.9878, facsimile: 918.599.6318, or e-mail: mark.craige@crowedunlevy.com. Counsel will make every effort to supply you with the needed information.

The Court conducted the Disclosure Statement Hearing on December ___, 2016, and entered the Order approving the Hospital's Disclosure Statement on December ___, 2016 [Doc. __] (the "Disclosure Statement Order"), a copy of the Order is provided herewith.

The Court has set the Confirmation Hearing in this Case for January ___, 2017, beginning at __ __.m. Central Time, in Courtroom No. 1, at the United States Bankruptcy Court Northern District of Oklahoma, 224 South Boulder Avenue, Tulsa, Oklahoma 74103 before the Honorable Terrence L. Michael, United States Bankruptcy Judge for the Northern District of Oklahoma. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing.

(2) Deadlines to Object to Confirmation

The included Disclosure Statement Order establishes deadlines with respect to objections to the Plan. Generally, objections to the confirmation of the Plan must: (1) be in writing; (2) state the name and address of the objecting party and the nature of the Claim of

such party; (3) state with particularity the basis and nature of any objection; and (4) be filed with the Bankruptcy Court, and served on the parties specified in the Disclosure Statement Order.

1.2. Overview of Craig County Hospital, Including its Assets and Liabilities

1.2.1. History of Hospital

The Hospital is a political subdivision of the State of Oklahoma and is an independent self-sustaining, not-for-profit hospital operated by the Craig County Hospital Authority, which is a public trust established to operate a county hospital created pursuant to specific provisions of Oklahoma Law found in Section 30-101 et seq. of Title 11 of the Oklahoma Statutes (the “Hospital Act”). Pursuant to the Hospital Act, the seven (7) members of Board of Trustees of the Hospital (the “Board”) are appointed by the County Commissioners of Craig County, Oklahoma for the purpose of operating and governing the Hospital. The Hospital does not receive funding from either Craig County or the State of Oklahoma, but does receive some monies through a foundation established for the benefit of the Hospital.

The main Hospital facility is located at 735 North Foreman, in Vinita, Oklahoma, on a tract of property that was the original homestead of Mr. and Mrs. W. F. Friend, who donated the land in the early 1960s. The original construction of the Hospital was completed in 1963, and the Hospital has been providing quality health care to the people of Craig County and surrounding areas since that time. Funds for initial construction came from a federal Hill-Burton grant of \$245,000 and a Craig County bond issue of \$250,000. At its opening in 1963, the Hospital operated with 32 beds and 70 employees, contributing approximately \$150,000 in annual payroll to the community. In 1994, the Hospital facility was expanded by the addition of approximately 9,000 square feet dedicated to emergency and outpatient care. In 1996, the Hospital opened the Ruth Joy Birthing Center with two birthing suites and the Don Yarger Conference Center. In

2009, a major renovation of the intersection of Interstate 44 and Highway 60 leading into the City of Vinita was completed providing for greatly improved access to the Hospital. Additionally, the patient parking area was renovated and expanded in 2012 providing for improved appearance and increased convenience for patients and their visitors. Today, the Hospital holds a certificate of need for 60 beds as a general care hospital offering a broad array of inpatient services including acute care, surgery, geriatric psychiatric care, Joy Birthing Center, and rehabilitation as discussed more fully below. Of the 60 beds, 20 beds are designated for psychiatric care with the remaining 40 dedicated to acute and inpatient care. The Hospital currently employs approximately 190 people with a \$7,000,000 to \$8,000,000 annual payroll.

1.2.2. Description of Facilities

The Hospital facilities consist of the primary facility with a street address of 735 North Foreman, Vinita, Oklahoma. The land, building and certain equipment at the primary facility were owned by Craig County but have recently been conveyed to the Hospital. The equipment in the primary facility consists of operating room equipment, X-ray equipment, lab equipment, nursing stations and various other equipment generally found in a hospital facility of similar or larger size. The primary facility includes a 24-hour emergency room, a modernly equipped surgery center, a birthing center and a 20-bed Renaissance unit designed to provide specialized care for seniors and inpatient care for individuals who require mental or emotional treatment in conjunction with other health care services. .

The Hospital owns and operates three clinics outside of Vinita, Oklahoma: Grand Lake Medical Park Monkey Island (the “Monkey Island Clinic”), Grand Lake Medical Park Langley (the “Langley Clinic”) and Welch Family Clinic (the “Welch Clinic”). The Monkey Island Clinic is located at 26300 South Highway 125, Afton, Oklahoma, in an approximate 14,000

square foot building. The principal focus at this clinic is family health care services with more advanced services such as laboratory, X-ray and MRI testing. This clinic is staffed by a team of 8 full-time and 2 part-time RNs, LPNs, a medical assistant, and an internist.

The Langley Clinic is located at 36488 Highway 82, Langley, Oklahoma, in a 6,760 square foot facility. The principal focus at this clinic is family care health care services with more advanced services such as laboratory, urology and physical, speech and occupational therapy. This clinic is staffed by a team of 8 full-time APRNs, LPNs and a medical assistant.

The Welch Clinic is located at 343 South Commercial Street, in Welch, Oklahoma, in a 1,150 square foot facility. The principal focus at this clinic is family care. Patients requiring more than routine care would generally be referred to one of the other two clinics or to the main hospital facility in Vinita, depending upon the nature of care needed. The Welch Clinic is staffed by three full-time health care professionals, including a physician's assistant and a medical assistant.

In addition to the above, the Hospital also owns an office and medical building in Miami, Oklahoma (the "Miami Clinic") that is being leased to an unrelated third party, plus a non-contiguous tract of raw land containing approximately 42 acres in Vinita, Oklahoma, located near the intersection of Interstate 44 and Highway 60. The Miami Clinic building secures the Class 2 Claim of Spirit Bank. The 42 acres site was donated to the Hospital for a possible new, modernized and expanded facility. The sale to the Buyer of 42 acre site was closed on September 30, 2016 with 100% of the \$1,990,180.35 in net proceeds being paid to FNBV.

1.2.3. Description of Services

(1) **Main hospital facility:** The Hospital provides a wide range of quality health care services not found or available at many rural facilities. The Hospital's services include, but are

not necessarily limited to, acute care, surgery, birthing, 24-hour emergency department staffing, ACLS trained nurses, trauma, X-ray, air ambulance capability, extensive radiological capabilities (including 64 slice CT Scan, Doppler, MRI and PET), nuclear medicine, ultrasound, rehabilitation, gynecology, respiratory care, laboratory services, behavioral health, and ear, nose and throat care. Specialty care services such as cardiology, electrophysiology, gastroenterology, neurology, orthopedics, ophthalmology, podiatry, pulmonology and urology are provided by a team of visiting doctors who maintain their primary practices at other facilities. The table below reflects the average patient count for the last three years for several categories of health care services and the projected number of patients for 2015:

<u>Category</u>	<u>3 Yr. Avg.</u>	<u>2015 Projected</u>
Cardiology	2,795	1129
Gastroenterology	369	550
Neurology	232	246
Ophthalmology	260	404
Orthopedics	1,331	665 (a)
Podiatry	820	146
Psychiatry	1,380	0 (b)
Pulmonology	278	286
Urology	281	106 (c)

- (a) The decrease in orthopedic patient count is due to a reduction in scheduling by the visiting physician.
- (b) In mid-2014, the attending psychiatrist relocated their practice to another area and has yet to be replaced. Consequently, the psychiatry patient count was reduced by approximately 50% in 2014 and no such services were available in 2015.
- (c) The patient count for urological services also decreased in 2015 from the preceding 3 year average.
- (2) **Clinics:** Health care services provided at the above described clinics generally

consist of family care with more advanced care such as laboratory services, X-ray, physical, speech and occupational therapy, gynecology, urology, MRI, and ear, nose and throat (available at the Monkey Island Clinic or the Langley Clinic). The Monkey Island and Langley Clinics operate three days weekly, 12 hours per day. The Welch Clinic is open from 8:00 a.m. to 12:00 p.m. Monday, Tuesday, Thursday and Friday and 8:00 a.m. to 5:00 p.m. on Wednesday. The Hospital previously operated clinics in Ketchum, Oklahoma, and Miami, Oklahoma, that were closed in 2011 and 2012, respectively, due to low patient volume.

(3) **Professional Medical Staff:** The Hospital provides quality care through a combination of full-time and visiting physicians and full-time and part-time registered nurses, laboratory technicians, X-ray technicians, licensed practitioner nurses, inhalation therapists, certified nurse assistants and physician assistants. The following represents the medical staff by general category:

<u>Category</u>	<u>Full Time</u>	<u>Part Time</u>
Registered Nurses	44	22
Lab Technicians	8	0
X-Ray technicians	10	5
Licensed Pract. Nurses	10	5
Inhalation Therapists	4	1
CNA's	16	6
Physician Assistant		1

1.2.4. Reason for the Sale

The Hospital, like many other rural hospitals, faces challenges on many fronts. Clearly, there is a shortage of doctors and other health care professionals in rural areas to serve patient needs. Many physicians are choosing to associate with or join larger health care organizations to reduce their overhead in terms of insurance and billing costs. The reductions in reimbursement

rates by Medicare and commercial insurance, increased liability insurance costs, and increased record-keeping requirements and reporting, plus the decision of Oklahoma's state government to decline to accept the substantial funds available from the United States under the Affordable Care Act, have all combined to make medical practice in rural areas less attractive, thereby exacerbating the shortage of physicians. Additionally, advancements in several aspects of medicine have made specializations quite attractive to a significant number of physicians, which contributes further to the shortage of general practitioners, particularly in more rural areas. All of these factors have dramatically decreased the amount of gross income the Hospital has been able to generate from its operations and has ultimately rendered the Hospital unable to propose an economically feasible Plan whereby it can retain its assets, continue in operation and repay its creditors. After several months of analysis and consideration of alternatives, the Hospital concluded the only remaining alternative for the Hospital is to sell its assets. A sale transaction has been negotiated with the Buyer as set forth in the three Purchase Agreements.

1.2.5. The Creditor Trust

To implement the provisions of the Plan related to certain Unclassified Claims and Class 7, the Hospital will execute a Creditor Trust Agreement, which shall create the Craig County Hospital Creditor Trust (the "Creditor Trust" or the "Trust"). A copy of the proposed Creditor Trust Agreement is attached to the Plan as **Exhibit "C"**. The Trust shall be administered by an independent Trustee who shall review and evaluate the Proofs of Claim on file, and then object to any such Claims as the Trustee deems appropriate. The Hospital nominates Chris H. Conine, CPA by and through his professional corporation Chris H. Conine, P.C. to serve as Creditor Trustee (the "Creditor Trustee" or the "Trustee").

Mr. Conine has been in private practice as a Certified Public Accountant for 18 years in

Vinita, Oklahoma and has experience in the administration of trusts and creditor claims. Mr. Conine has been on the Board of the Hospital for several years and is very familiar with the financial details of the Hospital before and during this case. Mr. Conine will resign from the Board prior to becoming the Trustee. As a result of Mr. Conine's involvement, he already has a substantial knowledge base to facilitate his role as Creditor Trustee. Finally, the Hospital has no residual interest in the Trust and as such, no pecuniary interest in the administration thereof.

1.3. Significant Events Leading to Commencement of Chapter 9 Case

A number of factors occurring over a period of several years contributed to commencement of this Chapter 9 Case. None of the factors discussed below are individually responsible for commencement of the Chapter 9 Case, but the additive and cumulative impact have led to commencement of this Chapter 9 Case.

2. DECLINING PATIENT VOLUMES AND ASSOCIATED REVENUES

Much of the cost of operating a health care facility such as the Hospital is fixed in nature rather than variable in direct relation to patient load. The Hospital has experienced declines in patient volume for some services over the past several years. This situation is not unique to the Hospital, but rather has been experienced by most health care facilities similarly situated as the Hospital. A portion of the patient decline can be attributed to the decline in practicing physicians as well as the difficulty in attracting and retaining highly skilled doctors and other health care professionals as a significant number of doctors have chosen to associate with larger and well established medical practices and facilities. Some move away from general practices to specialization as well. The population of the Hospital's service area has generally been decreasing likely due to the continuing migration from rural to urban areas.

Additionally, the health care industry is very capital intensive and the Hospital is not

immune to the necessity of maintaining a modernized facility from an equipment and technological standpoint. In other words, if a health care facility does not have the capital resources to remain modernly equipped, it becomes increasingly difficult to attract and retain highly qualified physicians. A staff of highly qualified physicians drives patient count, and therefore revenue through the provision of quality health care services. The opposite is true as well, in the absence of well-qualified physicians, prospective patients will generally tend to seek alternative health care facilities where they believe they will receive superior services.

3. REIMBURSEMENT RATES

A significant portion of the Hospital's patient load is seniors with payment for their services coming from billings submitted to Medicare. Medicare reimbursement rates have been declining as the federal government struggles with budgeting and funding sources. The Hospital does not have the ability to increase revenue receipts by simply increasing the prices for services. Medicare and third-party payors reimburse at specified rates without regard to what a health care provider bills.

The health insurance industry has also been undergoing change as reimbursements for covered services and policy deductibles are restructured. This trend is expected to continue.

4. CLOSURE OF THE OPERATING ROOM

In 2014, the Hospital was notified by the Oklahoma Department of Health and Human Services that its operating room did not meet certain standards. Consequently, the Hospital's operating room was closed for approximately four months. In addition to the capital costs of upgrading the operating room of \$695,124.47, the Hospital estimates the loss of revenue at \$800,000 during the closure. There was also a loss of other sources of revenue attendant to

operating room procedures. The operating room closed September 17, 2013, and reopened January 23, 2014.

5. OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

The Hospital was a participant in OPERS, which is a defined benefit plan administered by the State of Oklahoma for employees of state government agencies. The Hospital originally elected to participate in OPERS in 1969 when the health care industry was very different from today as well as the last several years. The funding requirements were very different as well. Funding for benefits under OPERS came from both employer and employee contributions. The Hospital was required to pay 11.5% of employee gross compensation as its share of OPERS funding. This funding requirement is approximately three times what funding would be under an industry standard 401-K or 403-B type plan. The Hospital's funding requirement under OPERS was in excess of \$1,000,000 annually. Given the extreme competitive and low profitability nature of the health care industry for small health care facilities such as the Hospital, this funding requirement simply placed an overwhelming financial burden on the Hospital.

OPERS filed Proof of Claim No. 32 filed on January 28, 2016 in the amount of \$1,171,096.53 (the "OPERS Claim"). The Plan classifies the OPERS Claim separately from all other Unsecured Claims because of: (1) the constitutional objections previously raised by OPERS, (2) to the extent OPERS is not paid in full, the retirement benefits paid to the Hospital's current and former employees may be decreased and (3) the presence of a potential ERISA based claim against the Buyer for successor liability that may survive the confirmation of the Plan and the Buyer's requirement in the Purchase Agreements for a formal release by OPERS of such claims as a condition to Closing. As such, the Hospital believes the claim of OPERS should be

treated differently than the claim of other Pre-Petition Unsecured Claims because the OPERS Claim is not similar to the claims of the other Pre-Petition Unsecured Claims.

The Hospital has negotiated an agreement with OPERS whereby the payment of \$1,171,096.53 to OPERS will fully and finally resolve 100% the OPERS Claim as well as the constitutional objections and any potential ERISA based claim against the Buyer for successor liability to facilitate the execution of an agreement to limit the liability of the Hospital and the Buyer to the amount of the OPERS claim as a condition of Closing. OPERS claim is based upon the Hospital, ceasing to be a participating employer in OPERS effective December 1, 2014 and part of this plan includes that effective December 1, 2014 the Hospital ceased to be a participating employer of OPERS. **A form of the OPERS Agreement approved by OPERS, the Buyer and the Hospital is attached to the Plan as Exhibit “E”.** If the OPERS Claim and related issues are not resolved and the OPERS Agreement is not obtained, then the Buyer will not close on the Second and Third Sales resulting in a contractual rescission of the Second and Third Sales. In such event, the Hospital would have to close down immediately resulting in a significant loss in value that would ultimately force the dismissal of this case and the loss of any chance for any payment whatsoever to any Unsecured Creditor. Indeed, such an event would force the holders of Secured Claims to liquidate their collateral in a state court foreclosure at a significant loss. The bottom line is that without the resolution of the OPERS Claim there won't be a sale and the Unsecured Creditors will never get a penny. The only mechanism to obtain the OPERS Agreement from OPERS is to separately classify its claim and pay its claim in full. In this case, the words of Thomas Jefferson ring true: *“Half a loaf is better than no bread”*. In this case, the unsecured creditors are projected to receive at least 90% of their claims and as such, the separate classification of the OPERS Claim has very little impact on the overall distributions

under the Plan.

6. MANAGEMENT CONTRACT

The Hospital entered into a management contract with Applied Healthcare Solutions (“AHS”) on January 1, 2009. This contract was revised and extended at various times, until the last revision in 2013. This contract cost approximately \$1,000,000 annually and became overly burdensome to sustain. This contract together with the funding requirement under OPERS and other cash flow problems created a situation where the Hospital could not pay all of its obligations as they became due. Consequently, payments to vendors were delayed and cash management became paramount for the daily operation of the Hospital. The Hospital attempted to negotiate certain changes in the management contract but was unsuccessful in those efforts. During the course of this Chapter 9 Case, the Hospital successfully negotiated a settlement and immediate termination of all matters under the management contract as discussed in detail below.

7. SIGNIFICANT EVENTS IN THE CHAPTER 9 CASE

7.1. Ombudsman

On March 17, 2015, the Bankruptcy Court held a hearing on the Hospital’s Motion for Determination Concerning the Need to Appoint an Ombudsman [Doc. 13] and the Joint Stipulation between the Debtor and the United States Trustee that no Patient Care Ombudsman is necessary [Doc. 33]. After considering the Stipulation, the Bankruptcy Court entered an Order on March 17, 2015 [Doc. 37] holding that the appointment of an Ombudsman was not necessary.

7.1.1. Determination of eligibility

On March 2, 2015 [Doc. 9] a Notice of Commencement of Case was entered by the Court

establishing (among other things), a deadline for objections to eligibility. Creditors were provided notice by United States Mail, and notice was published in The Tulsa World, and The Vinita Daily Journal. One objection to the Hospital's eligibility to file a Chapter 9 was filed by OPERS. The Court found that the statutory authority to file this Chapter 9 relied upon by the Hospital was insufficient, which required the Hospital to seek an executive order from Mary Fallin, the Governor of the Oklahoma (the "Governor"). After the Hospital obtained the Governor's Executive Order, the Court entered an Order for Relief, effective October 13, 2015 [Doc. 176].

7.1.2. Post-Petition Financing

FNBV continues to provide the Post-Petition financing pursuant to the Final Order (A) Authorizing the Debtor to Obtain Post-Petition Financing, (B) Granting Security Interests and Superpriority Administrative Expense Status to Lender, and (C) Granting Related Relief entered April 22, 2015 [Doc. 73] (the "First Financing Order").

Pursuant to the First Financing Order, FNBV provided a line of credit for the Hospital's use during the pendency of the bankruptcy proceeding up to \$600,000 dollars. To secure this line of credit, the Court approved the Hospital's grant to FNBV (subject only to Prior Liens as defined in the First Financing Order, first priority liens and security interests in, real property of the Debtor located in Langley and the undeveloped real property located in Vinita, Oklahoma (the "Lender Real Property Collateral"), and the proceeds and products thereof (collectively, the "Lender Pre-Petition Collateral"), including, without limitation, the following presently-owned and after-acquired personal property related to the Lender Real Property Collateral: (a) accounts, (b) accessions, (c) chattel paper and the like. See First Financing Order, ¶ 13(v), at 4.

FNBV further facilitated additional Post-Petition financing pursuant to the Final Order

Authorizing Debtor to Obtain Post-Petition Financing Relating to Health Care Receivables entered on April 28, 2016 [Doc. 243] (the “Second Financing Order”).

Pursuant to the Second Financing Order, FNBV provided Post-Petition financing regarding health care receivables from FNBV, in accordance with the terms and conditions set forth herein and in the Business Manager Funding Agreement with Health Care Providers attached to the Second Financing Order as Exhibit “1” (“Funding Agreement”). The Second Financing Order authorized the Debtor to execute, deliver and perform under the Funding Agreement and all other related agreements and documents creating, evidencing or securing indebtedness or obligations of the Debtor to FNBV on account of the Funding Agreement or granting or perfecting liens or security interests by the Debtor in favor of and for the benefit of FNBV on account of the Funding Agreement (as the same then existed or may thereafter be amended, modified, supplemented, ratified, assumed, extended, renewed, restated, or replaced and any and all of the agreements and documents currently executed in connection therewith or related thereto, by and among the Debtor and FNBV, the terms of which are referenced and incorporated herein). *See* Second Financing Order.

7.1.3. Establishment of Bar Dates

The Bar Date Order was entered on November 24, 2015 [Doc. 192] wherein the Bankruptcy Court established February 2, 2016, at 4:30 p.m., as the Bar Date for Proofs of Claim by all creditors including Governmental Units and 503(b)(9) claimants.

7.1.4. Settlement with AHS

Pre-Petition, the Hospital entered into two separate contracts with AHS that are generally referred to as the AHS Management Agreement and the AHS Centralized Business Office Services Agreement (collectively, the “AHS Contracts”). On June 22, 2015, the Hospital filed a

Motion to Reject the AHS Management Agreement [Doc. 87] and on June 25, 2015, also filed a similar Motion to Reject the AHS Centralized Business Office Services Agreement [Doc. 89] (collectively, referred to as the “Rejection Motions”).

In response to the Rejection Motions, AHS filed a number of pleadings in the Bankruptcy Court, namely: (1) a Motion to Withdraw Reference filed July 21, 2015 [Doc. 112] (the “Withdrawal Motion”); (2) a Corrected Objection to Subject Matter Jurisdiction filed August 30, 2015 [Doc. 156]; and (3) a Response to Debtor’s Motions to Reject Executory Contracts, including an Objection to Subject Matter Jurisdiction filed July 21, 2015 [Doc. 111] (collectively, the “Objection to Jurisdiction”). In further response, on August 7, 2015, AHS filed a civil action in the United States District Court in and for the Northern District of Oklahoma (the “District Court”) in case No. 15-cv-00434-GKF-FHM (the “Federal Case”) wherein AHS sought money damages in excess of \$4,000,000, attorney’s fees, specific performance, and injunctive relief for civil rights violations under 42 U.S.C. §1983 along with any and all appeal rights in any manner related thereto. The Federal Case also included (1) any counter-claims that could have been asserted therein by the Debtor against AHS or its attorneys, officers, agents, directors or employees, and (2) any additional claims for relief that could have been asserted by AHS against the Debtor or its attorneys, officers, agents, directors or employees. AHS also asserted in various communications but did not file (a) a Rejection Damages claim arising from the Rejection Motions of at least \$2,000,000 and (b) Administrative Claims related to the Contracts for Post-Petition damages of at least \$4,000,000.

The Hospital filed a response to the temporary injunctive relief sought by AHS in the Federal Case and after a hearing on August 18, 2015, the District Court denied AHS any temporary relief. The next day, the District Court also denied the Withdrawal Motion.

The Hospital filed an Amended Motion for Contempt Order on August 12, 2015 [Doc. 132] (the “Contempt Motion”) alleging AHS violated the automatic stay by filing and prosecuting the Federal Case. The Hospital also asserted, but did not file formal counter-claims against AHS for counter-claims based on negligent performance by AHS of at least \$1,000,000. The Hospital has also identified a claim against AHS under 11 U.S.C. §548 as a fraudulent transfer. The Hospital paid at least \$2,000,000 to AHS over the past two years for which the Hospital did not receive reasonably equivalent value. Such payments either rendered the Hospital insolvent or resulted in the remaining capital available to the Hospital being unreasonably small; therefore, the payments are recoverable as a fraudulent transfer.

On September 15, 2015, the Debtor and AHS (collectively, the “Settlement Parties”) participated in a Settlement Conference before Magistrate Judge Cleary and ultimately agreed upon basic terms of a settlement agreement to fully and finally resolve any and all of the disputed Claims described above. The basic terms were reduced to writing and approved by the Parties (the “Settlement Terms”). On September 24, 2015, the Debtor’s Board of Directors unanimously approved the Settlement Terms and shortly thereafter, the Parties memorialized the Settlement Terms in a more detailed document (the “Settlement Agreement”). The primary terms of the Settlement Agreement, in summary, were that the Hospital would pay AHS the sum of \$150,000 cash and in exchange the Settlement Parties would drop all of the pending Motions described above as well as the Federal Case with prejudice. The Settlement Parties also agreed to fully release and exonerate each other and their respective attorneys, officers, agents, directors or employees from any and all claims arising from or related to the agreements, facts and circumstances in the AHS Contracts or the disputed matters described above.

Pursuant to a Motion filed in this case on December 2, 2015 [Doc. 195], the Bankruptcy

Court approved the Settlement Agreement and authorized the payment of \$150,000 to AHS. As of December 8, 2015, the withdrawal with prejudice of all of the pending matters between the Settlement Parties has occurred and the Hospital has paid the \$150,000 to AHS. As a result, all of the myriad of disputes with AHS have now been fully resolved, including the release of any right of AHS to file a Proof of Claim in this Case. AHS will not receive anything under the Plan.

8. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of § 943(b) are met. Among the requirements for Confirmation are that the Plan: (1) is accepted by the requisite Holders of Impaired Classes of Claims or, if not so accepted, is “fair and equitable” and does not discriminate unfairly as to the non-accepting Class; (2) is in the “best interests” of each Holder of a Claim and each Impaired Class under the Plan; (3) is feasible; and (4) complies with the applicable provisions of the Bankruptcy Code.

8.1. Acceptance or Cramdown

A plan is accepted by an Impaired Class of Claims if Holders of two-thirds ($\frac{2}{3}$) in dollar amount and a majority in number of allowed Claims of that Class vote to accept the plan. Only those Holders of Claims who actually vote to accept or reject the plan count in the tabulation. The Impaired Classes must accept the plan in order for the plan to be confirmed without application of the “cramdown” test contained in §§ 1129(b)(i), (b)(2)(A) and (b)(2)(B).

8.1.1. Cramdown

The Bankruptcy Code provides that the Bankruptcy Court may confirm a plan that is not accepted by all Impaired Classes if at least one Impaired Class of Claims accepts the plan and the

so-called “cramdown” provisions set forth in §§1129(b)(1), (b)(2)(A) and (b)(2)(B) are satisfied. The Plan may be confirmed under the cramdown provisions if, in addition to satisfying the other requirements of § 943(b) of the Bankruptcy Code, it (i) is “fair and equitable” and (ii) does not discriminate unfairly with respect to each Class of Claims that is Impaired under and has not accepted the Plan. The Hospital believes that the Plan and the treatment of all Classes of Claims under the Plan satisfy the following requirements for nonconsensual confirmation of the Plan.

(1) “Fair and Equitable”

Uncertainty exists as to the contours of the “fair and equitable” requirement in Chapter 9. Outside of the Chapter 9 context, the “fair and equitable” requirement generally requires, among other things, that, unless a dissenting unsecured Class of Claims receives payment in full for its allowed Claims, no Holder of allowed Claims in any Class junior to that Class may receive or retain any property on account of such Claims. This is known as the “absolute priority rule”. Few published opinions have addressed the meaning of the “fair and equitable” requirement in Chapter 9 cases. Some courts have suggested that, because there are no equity holders in Chapter 9 cases (who, in theory, would be junior in priority to a municipal debtor’s general unsecured creditors), the absolute priority rule serves no function in Chapter 9 cases and, thus, in Chapter 9 cases, the “fair and equitable” requirement should not be interpreted as synonymous with the absolute priority rule. In light of the scarcity of case law addressing the “fair and equitable” requirement in Chapter 9, it is suggested that, in Chapter 9, the “fair and equitable” requirement is properly understood as requiring that, where a Chapter 9 debtor seeks a nonconsensual confirmation of a plan of

adjustment, the impaired creditors of such debtor, under the proposed plan, will receive all that they can reasonably expect under the circumstances.

The Hospital believes that the Plan is “fair and equitable” with respect to Holders of Claims against the Hospital because it provides such Holders of Claims with all they reasonably can expect under the circumstances of this Chapter 9 case. The immediate precipitating events that caused the Chapter 9 filing on March 26, 2014 were the cumulative effects of the following, among others: (i) the exit costs associated with the withdrawal from OPERS; (ii) the costs associated with the AHS contracts; (iii) the accumulated unsecured trade debt caused by the decrease in cash flow due to the temporary closure of the surgical suite and the funds expended to upgrade the same; and (iv) the requirements for capital expenditures for necessary equipment. This resulted in a severe cash shortage and the Hospital’s increasing inability to provide reasonable levels of services to Hospital patients on a long-term, going-forward basis. The Hospital originally believed it could propose a plan whereby it would continue to operate its facilities and repay all of its creditors from the net cash flow generated by such operations. However, as the case progressed it became painfully obvious that the Hospital could not generate any significant net cash flow to service its debts on a long term basis and that a sale of the Hospital’s assets was the only possibility to preserve a healthcare facility in Craig County. After significant efforts and negotiations, the Hospital found only one entity willing to buy its assets and continue operating them in some manner that will provide a level of health care to the residents of Craig County and the surrounding area. The Sales are the culmination of a year-long effort to find a buyer at a reasonable price. The Hospital is not aware of any other prospective buyer at a price anywhere near the \$10,000,000 aggregate sale price that is presently offered by the Buyer. Therefore, the Hospital believes that the Plan is “fair and equitable”

because the proposed payments to creditors under the Plan represents the best way for all parties to be paid a reasonable amount.

(2) No Unfair Discrimination

A plan of reorganization does not “discriminate unfairly” if a dissenting Class is treated substantially equally with respect to other Classes similarly situated, and no Class receives more than it is legally entitled to receive for its Claims. The Hospital does not believe that the Plan discriminates unfairly against any Impaired Class of Claims.

IN THE EVENT OF REJECTION OF THE PLAN BY ONE OR MORE IMPAIRED CLASSES, THE HOSPITAL RESERVES THE RIGHT TO REQUEST THE BANKRUPTCY COURT TO CONFIRM THE PLAN IN ACCORDANCE WITH § 1129(b)(1), (b)(2)(A) AND (b)(2)(B) OF THE BANKRUPTCY CODE. THE HOSPITAL RESERVES THE RIGHT TO MODIFY THIS PLAN TO THE EXTENT, IF ANY, THAT CONFIRMATION OF THIS PLAN UNDER § § 943 AND 1129(b) OF THE BANKRUPTCY CODE REQUIRES MODIFICATION.

(3) The “Best Interests of Creditors” Test

Notwithstanding acceptance of the Plan by each Impaired Class of Claims, the Bankruptcy Court also must determine that the Plan is in the best interests of creditors pursuant to § 943(b)(7) of the Bankruptcy Code. To satisfy this “best interests of creditors” test, a Chapter 9 debtor must establish that confirmation of its proposed plan of adjustment, more likely than not, would leave the debtor’s creditors in a better position than would dismissal of the debtor’s Chapter 9 bankruptcy case. Because the failure of plan confirmation and dismissal of a Chapter 9 debtor’s bankruptcy case in this instance would jeopardize the operational viability of the Hospital and would leave many creditors with a substantially diminished recovery or no recovery at all, the best interests of creditors test is a flexible standard that is less stringent than a test requiring that a plan be “fair and equitable”.

A Chapter 9 debtor satisfies the best interests of creditors test if its plan of adjustment makes a reasonable effort to provide a recovery for creditors. Although the Hospital bears the burden of proving, by a preponderance of the evidence, that its Plan satisfies the best interests of creditors test, § 904 of the Bankruptcy Code instructs the Bankruptcy Court to conduct its examination of a Chapter 9 debtor's ability to pay creditors in a manner that will not "interfere with" the "political or governmental powers of the debtor," the debtor's "property or revenues" or "the debtor's use or enjoyment of any income producing property".

The Hospital believes that its Plan satisfies the best interests of creditors test set forth at § 943(b)(7) of the Bankruptcy Code. Confirmation of the Plan permits the Hospital to complete the sale of all of its tangible assets to the Buyer for a price that the Hospital believes is fair and reasonable under the circumstances. In the absence of confirmation of the Plan, the Hospital will be forced to shut down and will not be able to close on the sale of the primary assets. The adverse consequences of not having a confirmed Plan will only ensure that the Hospital's Unsecured Creditors would receive nothing, and the ability of its Secured Creditors to recover the full amount owed from its collateral would be jeopardized.

The foregoing demonstrates the simple proposition that prompted the Hospital's Chapter 9 filing in the first instance: there is no non-bankruptcy restructuring or liquidation solution to the problems facing the Hospital, its creditors and its patients. The Plan embodies the Hospital's attempt to provide creditors with the greatest possible recovery consistent with their relative rights. Accordingly, the Hospital believes that the Plan satisfies the "best interests of creditors" test set forth at § 943(b)(7) of the Bankruptcy Code.

(4) Feasibility

Section 943(b)(7) of the Bankruptcy Code also requires that a plan of adjustment

be feasible. While the best interests of creditors test establishes a “floor” with respect to how much a Chapter 9 debtor can be expected to pay creditors under a plan of adjustment, the feasibility standard of § 943(b)(7) of the Bankruptcy Code imposes a “ceiling” on creditor recoveries under such a plan. To satisfy the feasibility requirement, a Chapter 9 debtor must demonstrate, by a preponderance of the evidence, that it has the ability to make the payments set forth in the proposed plan of adjustment. In this case, the Plan is merely a vehicle to facilitate a sale of all of the Hospital’s tangible assets to the Buyer with there being no continuing operations by the Hospital after the Closing on the Sale.

To determine whether a proposed plan of adjustment satisfies the feasibility standard of § 943(b)(7) of the Bankruptcy Code, a bankruptcy court must analyze the Buyer’s ability to close on the sale. In this case, the Buyer has sufficient cash on hand to pay all sums due at closing without the need for any financing. As such, there is no doubt the Buyer has the ability to close on the Sale and that the Plan is feasible. As with the determination of whether a plan of adjustment satisfies the best interests of creditors test, the scope of the Bankruptcy Court’s inquiry into the feasibility of a plan of adjustment is limited by § 904 of the Bankruptcy Code. Accordingly, the feasibility inquiry is relatively narrow.

For purposes of determining whether the Plan meets this requirement, the Hospital submits that its agreement for the Sale to the Buyer will upon Closing produce cash sufficient to fund all payments under the Plan. Accordingly, the Hospital believes that the Plan meets the feasibility requirement of § 943(b)(7) of the Bankruptcy Code.

(5) Compliance with Applicable Provisions of the Bankruptcy Code

In addition to the foregoing, the Plan must comply with other applicable provisions of the Bankruptcy Code, as follows:

- The Plan must comply with the provisions of the Bankruptcy Code made applicable by § 103(e) and 901 of the Bankruptcy Code (11 U.S.C. § 943(b)(1));
- The Plan must comply with the provisions of Chapter 9 (11 U.S.C. § 943(b)(2));
- All amounts to be paid by the Hospital or by any person for services or expenses in the Hospital's Chapter 9 case or incident to the Plan must be fully disclosed and must be reasonable (11 U.S.C. § 943(b)(3));
- The Hospital must not be prohibited by law from taking any action necessary to carry out the Plan (11 U.S.C. § 943(b)(4));
- Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan must provide that, on the Effective Date, each Holder of a Claim of a kind specified in § 507(a)(2) of the Bankruptcy Code will receive on account of such Claim cash equal to the allowed amount of such Claim (11 U.S.C. § 943(b)(5));
- Any regulatory or electoral approval necessary under applicable non-bankruptcy law in order to carry out any provision of the Plan must be obtained, or such provision must be expressly conditioned upon such approval (11 U.S.C. § 943(b)(6));
- The Plan must be in the best interests of creditors and be feasible (11 U.S.C. § 943(b)(7)) (this has been discussed in detail above);
- The Hospital, as the proponent of the Plan, must have complied with all provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(2)); and
- The Plan must have been proposed in good faith and not by any means forbidden by law (11 U.S.C. § 1129(a)(3)).

8.2. Alternatives to Confirmation and Consummation of the Plan

The Hospital has evaluated numerous alternatives to the Plan, including alternative structures and terms of the Plan. The Hospital has concluded that its Plan is clearly the best alternative to maximize recoveries sufficient to pay in full all Holders of Secured Claims and to pay the maximum amount to Holders of Unsecured Claims. If the Plan is not confirmed, the Hospital has no alternative aside from a complete shutdown whereupon the assets would be liquidated in one or more foreclosure actions leaving nothing for payment of any claims in Classes 7 or 8. If no plan of adjustment can be confirmed, the Bankruptcy Court may dismiss this Case; in such event, Holders of Claims likely would compete for the limited resources

of the Hospital that might be available to pay their Claims. The Hospital, therefore, believes that confirmation and consummation of the Plan is the most preferable when juxtaposed to the other alternatives described above.

9. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

RELATED TO CONFIRMATION AND CONSUMMATION OF THE PLAN
Circular 230 Disclosure: TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, EACH HOLDER OF A CLAIM IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER OF A CLAIM FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "IRC"); (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE CONFIRMATION OF THE PLAN TO WHICH THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE ANCILLARY; AND (C) ANY HOLDER OF A CLAIM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A DESCRIPTION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO HOLDERS OF CERTAIN CLAIMS IS PROVIDED BELOW. THE DESCRIPTION IS BASED ON THE IRC, TREASURY REGULATIONS, JUDICIAL DECISIONS AND ADMINISTRATIVE DETERMINATIONS, ALL AS IN EFFECT ON THE DATE OF THIS DISCLOSURE STATEMENT AND ALL SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. CHANGES IN ANY OF THESE AUTHORITIES OR IN THEIR INTERPRETATION COULD CAUSE THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN.

TO DIFFER MATERIALLY FROM THE CONSEQUENCES DESCRIBED BELOW.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. NO RULING HAS BEEN REQUESTED FROM THE INTERNAL REVENUE SERVICE (THE "IRS"); NO OPINION HAS BEEN REQUESTED FROM THE HOSPITAL'S COUNSEL CONCERNING ANY TAX CONSEQUENCE OF THE PLAN; AND NO TAX OPINION IS GIVEN BY THIS DISCLOSURE STATEMENT.

THE DESCRIPTION THAT FOLLOWS DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO HOLDERS OF CLAIMS. FOR EXAMPLE, THE DESCRIPTION DOES NOT ADDRESS

ISSUES OF SPECIAL CONCERN TO CERTAIN TYPES OF TAXPAYERS, SUCH AS DEALERS IN SECURITIES, FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, PASS-THROUGH ENTITIES AND INVESTORS THEREIN, TAX-EXEMPT ORGANIZATIONS, PERSONS SUBJECT TO THE ALTERNATIVE MINIMUM TAX AND NON-UNITED STATES TAXPAYERS. IN ADDITION, THE DESCRIPTION DOES NOT DISCUSS STATE, LOCAL OR NON-UNITED STATES INCOME OR OTHER TAX CONSEQUENCES (INCLUDING STATE OR GIFT TAX CONSEQUENCES).

FOR THESE REASONS, THE DESCRIPTION THAT FOLLOWS IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND PROFESSIONAL TAX ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM. HOLDERS OF CLAIMS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND NON-UNITED STATES TAX CONSEQUENCES OF THE PLAN.

The federal income tax consequences of the Plan to Individual Holders of Claims will depend, in part, on the nature of the Claim, what type of consideration was received in exchange for the Claim, whether the Holder reports income on the accrual or cash basis, whether the Holder has taken a bad debt deduction or worthless security deduction with respect to the Claim and whether the Holder receives Distributions under the Plan in more than one taxable year.

9.1. Certain Other Tax Considerations for Holders of Claims

9.1.1. Post-Effective Date Distributions

Because Distributions may be made to Holders of Claims after the Effective Date, any loss and a portion of any gain realized by a Holder may be deferred until the Holder has received its final Distribution. All Holders are urged to consult their tax advisors regarding the possible application of, or ability to elect out of, the “installment method” of reporting gain that may be recognized in respect of a Claim.

9.1.2. Bad Debt Deduction

A Holder who, under the Plan, receives in respect of an Allowed Claim an amount

less than the Holder's tax basis in the Allowed Claim may be entitled in the year of receipt (or in an earlier or later year) to a bad debt deduction in some amount under § 166(a) of the IRC. The rules governing the character, timing and amount of bad debt place considerable emphasis on the facts and circumstances of the Holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of Claims, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

9.1.3. Information Reporting and Backup Withholding

All Distributions under the Plan will be subject to applicable United States federal income tax reporting and withholding. The IRC imposes "backup withholding" (currently at a rate of 28%) on certain "reportable" payments to certain taxpayers, including payments of interest. Under the IRC's backup withholding rules, a Holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan, unless the Holder (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the taxpayer is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional federal income tax, but merely an advance payment that may be refunded to the extent it results in an overpayment of income tax. A Holder of a Claim may be required to establish an exemption from backup withholding or to make arrangements with respect to the payment of backup withholding.

9.2. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATION

PURPOSES ONLY AND IS NOT TAX OR LEGAL ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

10. RISK FACTORS TO BE CONSIDERED

The implementation of the Plan is subject to a number of material risks. Prior to voting on the Plan, each party entitled to vote should carefully consider these risks, as well as all of the information contained in this Disclosure Statement, including the Exhibits hereto. If any of these risks are actually realized, the Hospital's financial condition and operations could be seriously harmed. In addition to the risks set forth below, risks and uncertainties not presently known to the Hospital, or risks that the Hospital currently considers immaterial, may also impair the Hospital's financial condition and operations, and disrupt its ability to continue to operate as a going concern.

10.1. Non-Confirmation of the Plan

Even if all Impaired Classes accept or could be deemed to have accepted the Plan, the Plan may not be confirmed by the Bankruptcy Court. As set forth above, § 943(b) of the Bankruptcy Code identifies the requirements for Plan Confirmation. Although the Hospital believes that the Plan meets all applicable requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

10.2. Nonconsensual Confirmation

As described above, pursuant to the "cramdown" provisions of § 1129(b) of the Bankruptcy Code, the Bankruptcy Court can confirm the Plan at the Hospital's request if at least one Impaired Class has accepted the Plan and, as to each Impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is

“fair and equitable” with respect to such an Impaired Class. The Hospital reserves the right to modify the terms of the Plan as necessary for Confirmation without the acceptance of all Impaired Classes. Such modification could result in less favorable treatment for any non-accepting Classes than the treatment currently provided in the Plan.

10.3. Conditions to Effectiveness of the Plan

The Purchase Agreements provides for certain conditions that must be satisfied (or waived) prior to the Effective Date. The Hospital cannot provide any guaranty that such conditions will be satisfied. Many of the conditions are outside of the control of the Hospital. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions to effectiveness of the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the adjustment of the Hospital’s debts completed.

10.4. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Hospital, the Hospital’s Chapter 9 case or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement and any other solicitation materials that accompany this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should be relied upon by you at your own risk in arriving at your decision.

11. RECOMMENDATION

For the reasons set forth more fully above, the Hospital believes that the confirmation of and implementation of the Plan are far superior to any other alternative available to the Hospital or its creditors. **Accordingly, the Hospital recommends that all creditors who**

are Holders of Impaired Claims entitled to vote on the Plan to vote to accept the Plan by checking the box marked “Accept” on their Ballots. The Hospital also urges all creditors, after marking their votes on their Ballots to return their Ballots to the Voting Tabulator as directed on their respective Ballots.

DATED, this the 28th day of October, 2016.

Respectfully submitted,

/s/Mark A. Craige

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*Attorneys for Craig County Hospital Authority,
The Chapter 9 Debtor*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA**

In re:

CRAIG COUNTY HOSPITAL AUTHORITY,
a Public Trust,

Debtor.

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Case No. 15-10277
Chapter 9

**FIRST AMENDED
PLAN FOR THE ADJUSTMENT OF DEBTS OF
CRAIG COUNTY HOSPITAL AUTHORITY**

1. EXECUTIVE SUMMARY OF THIS PLAN

1.1. Overview: This Plan provides for the sale of substantially all of the Hospital's assets to an unrelated third party for sufficient cash to fund a significant amount of Distributions to repay creditors.

1.2. Administrative Claims: Paid in full in cash unless otherwise agreed.

1.3. Post-petition Unsecured Claims: Included in Class 7 unless a timely Motion is filed and the Court enters an Order Allowing such Claims as an Administrative Claim.

1.4. Secured Creditors: Paid in full at the closing of the Second and Third Sale at non-default rate of interest except for the Second Post-petition Loan that will be paid in full upon collection of the accounts receivable securing this obligation.

1.5. OPERS Claim: Paid in full of all of its claims from proceeds of the sale at the Closing on the Second and Third Sale in exchange for an agreement to limit of liability of the Hospital and Buyer upon the payment of the full amount of OPERS Claim in the amount of \$1,171,096.53 and furthermore upon confirmation of the Plan, the Hospital, effective December 1, 2014 ceased to be a participating employer of OPERS.

1.6. Unsecured Creditors: All unsecured claims are treated in one class regardless of whether such claims were incurred before or after the Petition Date. Allowed Claims will be paid from available funds in the Creditor Trust after payment of all of the Claims discussed above unless there is Insurance Coverage. Claims subject to Insurance Coverage may recover up to the limits of such coverage depending upon the outcome of the litigation for each such Claim. The estimated Distribution to this class is between 89% and 97%.

1.7. Executory Contracts: There are approximately 20 executory contracts and unexpired leases that are being assumed by the Buyer without modification and all of the remaining contracts are rejected.

2. DEFINITIONS

2.1. Defined Terms. Any term used in the Plan or the Plan's Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise. Throughout this Plan, there are numerous statutory citations all of which refer to the United States Bankruptcy Code found in Title 11 of the United States Code unless otherwise specifically stated.

The following definitions apply in this Plan:

2.1.1. **"503(b)(9) Bar Date"** means February 2, 2016, at 4:30 p.m., Central time, the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.

2.1.2. **"503(b)(9) Claim"** means a Claim that is entitled to treatment as an administrative expense under §503(b)(9).

2.1.3. **"506(b) Expense Claim"** means a Claim for reasonable fees, expenses, costs and other amounts which the Hospital agreed to pay or reimburse under any pre-petition agreement any time from and after the Petition Date to and through the Effective Date including, without limitation, any and all reasonable attorney's fees and expenses incurred any time from and after the Petition Date but specifically excluding interest otherwise allowable under § 506(b).

2.1.4. **“Administrative Claim”** means a Claim against the Hospital arising on or after the Petition Date and prior to the Effective Date for a cost or expense of administration related to the Chapter 9 Case that is entitled to priority or superpriority under §§ 364(c)(1), 503(b), 507(a)(2), 507(b) and 901 but not including Post-petition Unsecured Claims

2.1.5. **“Administrative Claims Bar Date”** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the **last day to file proof of an Administrative Claim, which date shall be no more than forty-five (45) calendar days after the Effective Date**, after which date any Administrative Claim not timely filed with the Court shall be forever barred, and the Hospital and the Creditor Trust shall have no obligation with respect thereto.

2.1.6. **“Allowed Claim”** means:

(1) with respect to Claims other than Administrative Claims, (a) either (i) a proof of claim or 503(b)(9) claim timely filed by the applicable Claims Bar Date, or (ii) a proof of claim deemed timely filed either as a result of such claim being listed on the Creditor List or by a Final Order or judgment which is no longer subject to appeal and as to which no appeal is outstanding; or (b) either (i) the Claim or 503(b)(9) Claim is not disputed, (ii) the Claim or 503(b)(9) Claim is expressly allowed by a Final Order or judgment which is no longer subject to appeal and as to which no appeal is pending, or (iii) the Claim is expressly allowed under the Plan; and

(2) with respect to Administrative Claims, the Administrative Claim is Allowed in accordance with Section 4.2 of this Plan.

An Allowed Claim shall not, for any purpose under the Plan, include interest, penalties, or late charges accruing on such Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the case is not an Allowed Claim. For the avoidance of doubt, any and all claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

2.1.7. **“Allowed 506(b) Expense Claim”** means a 506(b) Expense Claim awarded pursuant to the 506(b) Expense Claim Allowance Procedures, as defined in Section 4.2.1.

2.1.8. **“Assigned Contract”** means the list of executory contracts and unexpired leases set forth on Exhibit “D”, except to the extent the Buyer amends such list to delete any of such executory contracts and unexpired leases from such list prior to the Closing of the Second and Third Sale in accordance with the terms of the Purchase Agreements and this Plan.

2.1.9. **“Ballot”** means with respect to any Class of Claims that are Impaired and entitled to vote under this Plan, the forms which will be distributed to Holders of Claims to be used for showing acceptance or rejection of this Plan.

2.1.10. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Oklahoma having jurisdiction over the Chapter 9 Case, and, to

the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the Local Rules of the District Court pursuant to § 151 of title 28 of the United States Code, the District Court.

2.1.11. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case, and where applicable, the general or local rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to the Chapter 9 Case.

2.1.12. **“Bar Date”** means February 2, 2016, at 4:30 p.m. and is the applicable bar date by which a proof of claim must have been filed, as established by the Bar Date Order.

2.1.13. **“Bar Date Order”** means the order of the Bankruptcy Court establishing Bar Dates for filing proofs of claim in the Chapter 9 Case, including the *Order Establishing a Deadline for Filing Claims* [Docket No. 192] filed November 24, 2015.

2.1.14. **“Board of County Commissioners”** means the governing board of the County as established by the Oklahoma Constitution and the Oklahoma Statutes, as amended.

2.1.15. **“Board of Trustees”** or simply the **“Board”** shall mean the Board of Trustees of the Hospital, a County trust established by the County, a political subdivision of the State that was established and is operating pursuant to 60 O.S. § 176 *et seq.*

2.1.16. **“Business Day”** means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

2.1.17. **“Buyer”** means Saint Francis Hospital Vinita, Inc., an Oklahoma nonprofit corporation or one or more of its affiliates.

2.1.18. **“Cash”** is lawful currency of the United States of America.

2.1.19. **“Chapter 9 Case”** or **“Case”** means the bankruptcy case commenced by the Hospital under Chapter 9 of the Bankruptcy Code, captioned as *“In re: Craig County Hospital Authority”*, Case No. 15-10277-M (Bankr. N.D. Okla.), and currently pending before the Bankruptcy Court wherein this Plan has been filed.

2.1.20. **“City”** means the City of Vinita, Oklahoma.

2.1.21. **“Claim Objection Deadline”** means the deadline for objecting to a Claim, which shall be on the date that is the latest of: (a) 180 days after the Effective Date, subject to extension by an order of the Bankruptcy Court, (b) 90 days after the filing of a proof of claim for such Claim, or (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court.

2.1.22. **“Claim”** shall have the meaning set forth in § 101(5).

2.1.23. **“Claimant”** is any Holder of a Claim against the Hospital.

2.1.24. **“Class”** means a class of Claims, as described in Section 3.

2.1.25. **“Clinic Land Sale”** or the **“Third Sale”** means the sale of that portion of the Hospital Facilities that includes certain real property located in Grand Lake Medical Park of Langley, in Vinita, Oklahoma, Grand Lake Medical Park of Monkey Island, in Afton, Oklahoma, Welch Family Medicine in Welch, Oklahoma, the NEO Clinic Facility in Miami, Oklahoma, and related ancillary services, and is described in the

Purchase Agreement that is attached to this Plan as Exhibit “A-3” (Purchase and Sale Contract – Rural Health Clinics and Related Property operated by Craig County Hospital Authority). It is dated September 22, 2016, and will close five days after the entry of the Confirmation Order.

2.1.26. **“Closing”** means the completion of the (1) execution and exchange of documents; (2) payment of the Purchase Price and any other funds; and (3) any related actions necessary to complete and to fully consummate the respective Sales pursuant to the terms of the respective Purchase Agreements.

2.1.27. **“Closing Agent”** means the independent party designated to implement the closing of the individual Sales.

2.1.28. **“Code”** or **“Bankruptcy Code”** means Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.*, and any amendments thereto.

2.1.29. **“Confirmation Date”** means the date on which the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 9 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

2.1.30. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by § 1128(a), as such hearing may be continued from time to time.

2.1.31. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan, as it may be subsequently amended, supplemented or otherwise modified, pursuant to § 943(b).

2.1.32. **“Core Notice Parties”** means those parties listed on the Creditor List filed in the Chapter 9 Case, as amended from time to time.

2.1.33. **“County”** means Craig County, Oklahoma, a Governmental Unit of the State.

2.1.34. **“Creditor List”** means, collectively, and as amended, the list of creditors, executory contracts and unexpired leases filed by the Hospital in this Chapter 9 Case pursuant to § 924 as amended from time to time thereafter.

2.1.35. **“Creditor Trust”** means an Oklahoma trust to be known as the “Craig County Hospital Creditor Trust” created by the execution of the Creditor Trust Agreement as provided for in Section 5.21 of this Plan to administer and distribute the Creditor Trust Assets in accordance with the Creditor Trust Agreement.

2.1.36. **“Creditor Trust Agreement”** means the trust agreement filed with the Court attached hereto as **Exhibit “C”** on or before the Disclosure Statement Hearing.

2.1.37. **“Creditor Trust Assets”** means, collectively:

- (1) The \$147,000 Certificate of Deposit from SpiritBank;
- (2) The refund from the Post-Petition accounts receivable loan from FNBV in the estimated amount of \$250,000.00
- (3) Net Sale Proceeds; and
- (4) The proceeds of all Recovery Claims.

2.1.38. **“Creditor Trust Beneficiary”** (whether singular or plural) means the Holders of Allowed Claims of any of the following: Professional Claims, 506(b) Expense Claims, Administrative Claims or Unsecured Claims in Class 7.

2.1.39. **“Creditor Trustee”** means the Trustee of the Creditor Trust, also sometimes referred to herein as the “Creditor Trustee”. Chris H. Conine, CPA by and through his professional corporation Chris H. Conine, P.C. has been designated by the

Hospital to serve in this role and shall be the duly appointed representative of Hospital pursuant to §§ 1123(a)(5), (a)(7) and (b)(3)(B). This term should not be confused with the term “U.S. Trustee”, an independent government agency. Also, this term should not be confused with a Chapter 9 trustee appointed pursuant to § 926(b). No Chapter 9 trustee has been appointed nor has such been requested as of the filing of this Plan.

2.1.40. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to §§ 365(b) and 1123(b)(2). See Section 6 for detailed treatment of executory contracts or unexpired leases.

2.1.41. **“Disclosure Statement”** means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan, as approved by the Bankruptcy Court pursuant to § 1125, as it subsequently may be amended, supplemented or otherwise modified by the Hospital.

2.1.4.2 **“Disclosure Statement Order”** means the Order (Docket No. [REDACTED]), entered by the Bankruptcy Court on the docket of the Chapter 9 Case on [REDACTED], 2016, approving the Disclosure Statement as containing adequate information pursuant to § 1125 of the Bankruptcy Code, as it may have been subsequently amended, supplemented or otherwise modified.

2.1.42. **“Disputed Claim”** means any Claim that is not an Allowed Claim.

2.1.43. **“Disputed Claims Reserve”** means a reserve to be established by the Creditor Trustee of property equal to (1) the Distributions to which Holders of Disputed

Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in the amount of such Disputed Claims or (2) such lesser amount as required by an order of the Bankruptcy Court.

2.1.44. **“Distribution”** means any payment of Cash or otherwise on account of any Claim in this Case.

2.1.45. **“Distribution Agent”** means the Closing Agent, as to Classes 1, 2, 3, 4, 5, 6 and 8 as well as the Allowed 503(b)(9) Claims; and the Trustee of the Creditor Trust as to Class 7 as well as all Unclassified Claims except for the Allowed 503(b)(9) Claims.

2.1.46. **“Effective Date”** means the date t h a t t h e Confirmation Order confirming this Plan becomes a Final Order and that the conditions to the effectiveness of the Plan have been satisfied or waived.

2.1.47. **“Effective Time”** means 12:00:01 a.m., Central Time, on the Effective Date or such other time as the parties may mutually designate in writing.

2.1.48. **“Employment Claims”** means a claim for damages and/or equitable relief arising from any alleged wrongful acts arising from an individual’s employment by the Hospital. The most frequent types of claims covered under such policies include: wrongful termination, discrimination, sexual harassment, and retaliation. In addition, the insurance policies cover claims from a variety of other types of inappropriate workplace conduct, including (but not limited to) employment-related: defamation, invasion of privacy, failure to promote, deprivation of a career opportunity, and negligent evaluation.

2.1.49. **“File”, “Filed” or “Filing”** means file, filed or filing with the Clerk of Bankruptcy Court in the Chapter 9 Case.

2.1.50. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

- (1) that has not been reversed, rescinded, stayed, modified, vacated, or amended;
- (2) that is in full force and effect; and
- (3) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to § 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be Filed with respect to such order.

2.1.51. **“GAAP”** means United States generally accepted accounting principles as in effect from time to time.

2.1.52. **“General Bar Date”** means February 2, 2016, at 4:30 p.m. Central time, which is the date established by the Bankruptcy Court as the general deadline for Claimants to file proofs of Claims against the Hospital.

2.1.53. **“General Unsecured Claim”** means an Unsecured Claim other than (i) a § 503(b)(9) Claim, (ii) an Administrative Claim, or a (iii) a Tort Claim or Employment Claim for which there is any Insurance Coverage.

2.1.54. **“Governmental Unit Bar Date”** means February 2, 2016, at 4:30 p.m., Central Time, which is the date established by the Bar Date Order as the deadline for Governmental Units to file proofs of Claims.

2.1.55. **HHS:** The United States Department of Health and Human Services.

2.1.56. **HHS Patient Records Request:** The request to be sent by certified mail to HHS in compliance with the requirements of Bankruptcy Code § 351(2) requesting permission from HHS to deposit the Patient Records with HHS

2.1.57. **“Holder”** means a person or an entity holding a Claim.

2.1.58. **“Hospital”** means Craig County Hospital Authority, a public trust established by the County the beneficiary of which is the County.

2.1.59. **“Hospital Facilities”** means the real and personal property owned by the Hospital and comprising the Craig General Hospital in Vinita, Oklahoma, Vinita Medical Office Tract in Vinita, Oklahoma, Vinita Buildings, Grand Lake Medical Park of Langley in Vinita, Oklahoma, Grand Lake Medical Park of Monkey Island in Afton, Oklahoma, Welch Family Medicine in Welch, Oklahoma, the NEO Clinic Facility in Miami, Oklahoma, and related ancillary services as more fully described in the respective Purchase Agreements. “Hospital Facilities” also includes that certain unimproved real property located in the City of Vinita and unincorporated land adjacent thereto in Craig County, Oklahoma.

2.1.60. **“Hospital Sale”** or the **“Second Sale”** means the sale of that portion of the Hospital Facilities that includes the assets relating to the Hospital Facilities, and the real property described as the Craig General Hospital in Vinita, Oklahoma, Vinita Medical Office Tract and the Vinita Buildings, and related ancillary services and is described in the Purchase Agreement that is attached to this Plan as **Exhibit “A-1”** (Asset Purchase Agreement). It is dated September 22, 2016, and will close five days after the entry of the Confirmation Order.

2.1.61. **“Hospital Trust”** means the Oklahoma Trust created by the Trust Indenture.

2.1.62. **“Impaired”** means, with respect to a Class or a Claim, that such Class or Claim is impaired within the meaning of § 1124.

2.1.63. **“Insurance Coverage”** means there is a policy of insurance owned by the Hospital, the terms of which provide for indemnity or coverage of a particular Claim.

2.1.64. **“Interest Rate”** means the annual percentage at which the outstanding balance of a Claim shall bear interest. Unless otherwise stated herein, all interest rates shall be fixed until the maturity of the repayment terms under this Plan.

2.1.65. **“Liabilities”** means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, derivative claims, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement,

employment, exposure or other occurrence taking place on or prior to the closing of the Second and Third Sale.

2.1.66. **“Lien”** shall have the meaning set forth in § 101(37).

2.1.67. **“List of Creditors”** see 2.1.34.

2.1.68. **“Medical Records”** includes (A) Patient Records; (B) “Protected health information” as defined in 45 CFR 160.103, and, as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and as amended by the Health Information Technology for Economic Clinical Health Act (“HITECH”); (C) “Health information” means any information, whether oral or recorded in any form or medium, that: (A) is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and (B) relates to the past, present, or future physical or mental health or condition of any individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual”; and (D) individually identifiable health information is information that is a subset of health information, including demographic information collected from an individual, and: (1) is created or received by a health care provider; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual”.

2.1.69. **“Net Sale Proceeds”** means the net amount of cash proceeds remaining after payment by the Closing Agent of Allowed Claims in Classes 1, 2, 3, 4, 5, 6 and 8,

as well as customary taxes, Cure Payments, expenses, other costs and fees associated with the Sales.

2.1.70. **“OPERS”** means the Oklahoma Public Employees Retirement System, a Governmental Unit.

2.1.71. **“Patient Records”** Records that relate to the treatment of patients at the Hospital that constitute “patient records” as that term is defined in Bankruptcy Code § 101(40B).

2.1.72. **“Patient Records Mailing List”** The mailing list of patients treated at the Hospital up to and including the Closing on Second and Third Sales, to be generated by the Debtor from the Debtor’s electronic billing records to the extent such electronic billing records may reasonably be obtained by the Debtor.

2.1.73. **“Patient Records Mail Notice”** The notice that is consistent with Bankruptcy Rule 6011(b), in substantially the same form as the notice to be filed in the Plan Supplement, as may be modified by order of the Bankruptcy Court, to be mailed by first class mail to all parties on the Patient Records Mailing List.

2.1.74. **“Patient Records Maintenance Period”** The 365 day period identified in 11 U.S.C. § 351(1)(A) immediately following publication of the Publication Notice.

2.1.75. **“Patient Records Service Provider”** The third party service provider to be retained pursuant to the Patient Records Service Provider Agreement.

2.1.76. **“Patient Records Service Provider Agreement”** The agreement, substantially in the form as included in the Plan Supplement, or as otherwise approved by the Bankruptcy Court, pursuant to which the Patient Records Service Provider will agree to maintain and store the Patient Records and respond to requests for such Patient

Records during the Patient Records Maintenance Period consistent with Bankruptcy Code § 351.

2.1.77. **“Publication Notice”** The notice relating to Patient Records to be published in the newspapers as ordered by the Bankruptcy Court on March 2, 2015 [Doc. 9] in substantially the same form as the notice to be provided in the Plan Supplement or as otherwise approved by the Bankruptcy Court.

2.1.78. **“Personally Identifiable Information”** shall have the meaning set forth in Bankruptcy Code § 101(41A).

2.1.79. **“Petition Date”** means February 25, 2015.

2.1.80. **“Plan”** means this plan of adjustment and all Exhibits attached hereto or referenced herein, as the same may be amended, restated, supplemented or otherwise modified.

2.1.81. **“Plan Supplement”** means any supplement to the Plan containing Exhibits that were not filed as of the date of the entry of the Disclosure Statement Order. A Plan Supplement or Plan Supplements will be filed no later than five (5) business days prior to the Voting Deadline.

2.1.82. **“Post-Effective Date”** means the time period immediately following the Effective Date.

2.1.83. **“Post-Petition”** means the any time period on or after the Petition Date.

2.1.84. **“Post-petition Unsecured Claim”** means an Unsecured Claim incurred by the Hospital in the ordinary course of business any time after the Petition Date.

2.1.85. **“Pre-Petition”** means the any time period before the Petition Date.

2.1.86. **“Professional”** or **“Professionals”** means, individually or collectively, those professionals retained by the Hospital or any Committee to render services in connection with the Chapter 9 Case who seek payment of compensation and reimbursement of expenses from the Hospital for Post-Petition services.

2.1.87. **“Professional Fee Claim”** means a Claim to be satisfied pursuant to Section 4.5 of the Plan with respect to amounts to be paid to a Professional for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be allowed or paid by the Hospital or the Creditor Trust if the underlying professional’s retention was by or on behalf of any person other than the Hospital or was otherwise not properly authorized by the Board of Trustees.

2.1.88. **“Professional Fee Deadline”** means the last day by which all Professional Fee Motions must be filed. In this case, the date shall be thirty (30) days after the entry of the Confirmation Order.

2.1.89. **“Professional Fee Motion”** means the Motion to be filed by each holder of a Professional Fee Claim as a means to satisfy the requirements of § 943(b)(3). Such motion must fully disclose:

- (1) the basis for all fees charged as compensation and expenses reimbursed;
- (2) all amounts paid to the Professional up to the filing of the Motion;
- (3) any amount of compensation and expenses that remain unpaid as of the filing of the Motion; and

(4) any facts necessary for the Court to make a determination that the amounts of all fees charged as compensation and expenses are reasonable.

2.1.90. **“Professional Fee Order”** means an Order entered by the Court granting a Professional Fee Motion.

2.1.91. **“Pro Rata”** means, when used with reference to a Distribution of property to Holders of Allowed Claims in a particular Class or other specified group of Claims, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims. Until all Disputed Claims in a Class or other specified group of Claims are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating a Pro Rata Distribution of property to Holders of Allowed Claims in such Class or group of Claims.

2.1.92. **“Purchase Price”** means the price to be paid by the Buyer for the Hospital Facilities pursuant to the Purchase Agreements.

2.1.93. **“Purchase Agreement”** includes any of the three (3) separate formal contracts between the Hospital and the Buyer that in the aggregate provide for the sale of the all of the Hospital Facilities. When used in the plural, Purchase Agreements refers to all three of the contracts collectively. The first Purchase Agreement relates to the Hospital Sale or the Second Sale (defined herein), the second Purchase Agreement relates to the Unimproved Land Sale or the First Sale (defined herein) and the third

Purchase Agreement relates to the Clinic Lane Sale or the Third Sale (defined herein). The Purchase Agreements shall be attached to this Plan as **Exhibits “A-1,”** (Asset Purchase Agreement) **“A-2”** (Purchase and Sale Contract - Undeveloped Land owned by Craig County Hospital Authority) and **“A-3”** (Purchase and Sale Contract – Rural Health Clinics and Related Property operated by Craig County Hospital Authority), respectively.

2.1.94. **“Recovery Claims”** means (a) any and all Avoidance Actions arising under Chapter 5 of the Bankruptcy Code; and (b) those certain claims, rights, causes of action, suits or proceedings, whether in law or in equity, whether known or unknown, assertable by the Hospital or the Creditor Trust against third parties for the recovery of money or property in connection with any occurrence, conduct or circumstances before the Effective Date together with all recoveries and other proceeds of the foregoing.

2.1.95. **“Rejection Damage Claim”** means a claim arising under Bankruptcy Code § 365(g) from the rejection of an unexpired lease or an executory contract.

2.1.96. **“Rejection Order”** means an order of the Bankruptcy Court (including, without limitation, the Confirmation Order) entered prior to the Effective Date and authorizing the Hospital’s rejection of an unexpired lease or an executory contract. To avoid any doubt, any executory contract or unexpired lease subject to a Rejection Order shall be deemed rejected as of the day before the Petition Date.

2.1.97. **“Released Parties”** means (i) the First National Bank of Vinita, in its capacity as the maker of the post-petition loan, (ii) the Hospital and the Hospital’s current officers and directors, employees, professionals and trustees and (iii) the Buyer

and Saint Francis Health System, Inc., and their respective officers, directors, affiliates and professionals (the parties described in this subparagraph (iii) sometimes being collectively referred to herein as the “Buyer Released Parties”).

2.1.98. **“Sale”** means the sale of the Hospital Facilities to the Buyer pursuant to the Unimproved Land Sale (the First Sale), Hospital Sale (the Second Sale) and the Clinic Land Sale (the Third Sale). When used in the plural, Sales refers collectively to the First Sale, the Second Sale and the Third Sale.

2.1.99. **“Scheduled”** means as set forth on the Creditor List.

2.1.100. **“Secured Claim”** means a Pre-Petition Claim that is secured by a lien on property in which the Hospital has an interest or that is subject to valid setoff under § 553, to the extent of the value of the Claim Holder’s interest in the Hospital’s interest in such property or to the extent of the amount subject to valid setoff, as applicable, as determined pursuant to § 506.

2.1.101. **“Secured Creditors”** means those Creditors holding a Secured Claim. In this case, such creditors are FNBV, Arvest, Spirit, Varilease, TFG and FMCC.

2.1.102. **“State”** means the State of Oklahoma.

2.1.103. **“Tort Claim”** is any Claim against the Hospital that has not been settled, compromised or otherwise resolved that arises out of allegations of personal injury or is a wrongful death claim.

2.1.104. **“Transactions”** means all of the various payments, assignments, conveyances, assumptions and other matters contemplated by the Purchase Agreements.

2.1.105. **“Trust Indenture”** means to the Trust Indenture agreement filed in County Clerk’s Office of Craig County, Oklahoma, on June 15, 1993, in Book 416, at Page 120, and as modified from time to time prior to the filing of this Plan.

2.1.106. **“Disputed Claims Reserve”** shall have the meaning set forth in Section 6.14.

2.1.107. **“Trustee”** means the same as Creditor Trustee as defined in 2.1.37.

2.1.108. **“Unclaimed Property”** means any Cash (together with any interest earned thereon) that is unclaimed on the ninetieth (90th) day following Distribution. Unclaimed Property shall include: (a) checks (and the funds represented thereby) that have been returned as undeliverable without a proper forwarding address; (b) funds for checks that have not been honored within ninety (90) days after a Distribution; and (c) checks (and the funds represented thereby) that were not mailed or delivered because of the absence of a property address to which to mail or deliver such checks. The date of a Distribution to the holder of an Allowed Claim shall be the date of the check issued to such holder.

2.1.109. **“Unimpaired”** means, with reference to a Class of Claims or Interests, that the class is not impaired.

2.1.110. **“Unimproved Land Sale”** or the **“First Sale”** means the sale of that portion of the Hospital Facilities that includes certain unimproved real property located in the City of Vinita and unincorporated land adjacent thereto in Craig County, Oklahoma, and is described in the Purchase Agreement that is attached to this Plan as **Exhibit “A-2”** (Purchase and Sale Contract - Undeveloped Land owned by Craig

County Hospital Authority). It is dated September 22, 2016, and closed on September 30, 2016.

2.1.111. **“United States Trustee”** means the office of the United States Trustee for the Northern District of Oklahoma.

2.1.112. **“Unsecured Claim”** means a claim that is not a Secured Claim or an Administrative Claim.

2.1.113. **“Voting Deadline”** means the deadline fixed by the Bankruptcy Court in the Disclosure Statement Order for submitting Ballots to accept or reject the Plan in accordance with § 1126 of the Bankruptcy Code.

2.2. Interpretation, Rules of Construction, Time.

2.2.1. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.

2.2.2. All references in the Plan and the Plan’s Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.

2.2.3. Whenever the Plan or the Plan’s Exhibits use the word “including”, such reference shall be deemed to mean “including, without limitation”.

2.2.4. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.

2.2.5. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or

supplement.

2.2.6. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.

2.2.7. Unless otherwise indicated, the phrase “under the Plan” and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.

2.2.8. Unless otherwise specified, all references to “Sections”, “Exhibits”, “Schedules” or “Sections” are references to sections, exhibits, schedules, and sections of or to the Plan.

2.2.9. The words “herein”, “hereof”, “hereto”, “hereunder”, “herewith”, and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.

2.2.10. Captions and headings to Sections and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.

2.2.11. Whenever the Plan or the Plan’s Exhibits provides that a document or thing must be “acceptable” or “satisfactory” to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

2.2.12. In computing any period of time prescribed or allowed by the Plan, the provisions of Rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

3. DESIGNATION AND TREATMENT OF CLASSES OF CLAIMS

All Claims (except Non-Classified Claims treated under Section 3 of this Plan) are placed in the following Classes pursuant to § 1122:

3.1. Class 1: Secured Claim of First National Bank of Vinita.

3.1.1. Class 1 consists of the Allowed Secured Claim of the First National Bank of Vinita (“FNBV”) with a current principal balance outstanding as of the date of this Plan of approximately \$568,780.77 pursuant to certain documents executed and delivered to FNBV by the Hospital including, without limitation, a promissory note and mortgage dated October 14, 2009, and the related agreements as each may have been heretofore amended and supplemented from time to time (the “FNBV Loan Agreement”). FNBV claims a first in priority real property mortgage upon real property of the Hospital located in Langley, Oklahoma, and Vinita, Oklahoma, where the Hospital operates a medical clinic.

3.1.2. Class 1 does not include the two Post-Petition loans made by FNBV that are treated in §4.1.

3.1.3. The Class 1 Allowed Secured Claim of FNBV shall be paid in full as a part of the Closing. The Class 1 Allowed Secured Claim of FNBV was paid down to its current balance from the proceeds of the Closing of the First Sale.

3.1.4. Interest Rate is 6.125% fixed and will accrue until this claim is paid in full.

3.1.5. Other terms of repayment are set forth in Section 5.12.1

3.1.6. The Class 1 Claims are Impaired.

3.2. Class 2: Secured Claim of Spirit Bank.

3.2.1. Class 2 consists of the Allowed Secured Claim of SpiritBank, an Oklahoma Banking corporation, (“SpiritBank”) with a current principal balance outstanding as of the date of this Plan of approximately \$834,864.00 pursuant to certain documents executed and delivered to Spirit by the Hospital including, without limitation, a promissory note, mortgage and Commercial Loan Agreement dated May 19, 2009, and the related notes, real property mortgage and other agreements as each may have been heretofore amended and supplemented from time to time (the “SpiritBank Loan Agreement”). SpiritBank claims a first in priority real property mortgage upon real property of the Hospital located in Miami, Oklahoma, where there is a medical office building.

3.2.2. The Class 2 Allowed Secured Claim of Spirit Bank shall be paid in full as a part of the Closing.

3.2.3. Interest Rate is 5.81% fixed and will accrue until this claim is paid in full.

3.2.4. SpiritBank holds a Certificate of Deposit in the approximate amount of \$147,00 that will be transferred to the Creditor Trust upon payment of SpiritBank’s Class 2 Claim.

3.2.5. Other terms of repayment are set forth in Section 5.12.1

3.2.6. The Class 2 Claim is Impaired.

3.3. Class 3: Secured Claim of Arvest Bank.

3.3.1. Class 3 consists of the Pre-Petition Allowed Secured Claim of Arvest Bank (“Arvest”) with a current principal balance outstanding as of the date of this Plan in the approximate amount of \$1,600,771.00 pursuant to certain documents executed

and delivered to Arvest by the Hospital including, without limitation, a promissory note and mortgage dated October 14, 2013, and the related agreements as each may have been heretofore amended and supplemented from time to time (the “Arvest Loan Agreement”). Arvest claims a first in priority real property mortgage upon real property of the Hospital located on Monkey Island, at Grand Lake, which is in Delaware County, Oklahoma, where the Hospital operates a medical clinic.

3.3.2. The Class 3 Allowed Secured Claim of Arvest shall be paid in full as a part of the Closing.

3.3.3. Interest Rate is 3.430% fixed and will accrue until this claim is paid in full.

3.3.4. Other terms of repayment are set forth in Section 5.12.1

3.3.5. The Class 3 Claim is Impaired.

3.4. Class 4: Secured Claim of Varilease Finance, Inc.

3.4.1. Class 4 consists of the Pre-Petition Allowed Secured Claim of VFI-SPV VIII Corp. a/k/a/ Varilease Finance, Inc. (“Varilease”) on a Master Lease Agreement dated March 4, 2014, with a current balance as of the Petition date of approximately \$255,260.00.

3.4.2. The Class 4 Secured Claim of Varilease shall be paid in full as a part of the Closing.

3.4.3. Interest Rate is 4% fixed and will accrue until this claim is paid in full.

3.4.4. Other terms of repayment are set forth in Section 5.12.1

3.4.5. The Class 4 Claim is Impaired.

3.5. Class 5: Secured Claim of Tetra Financial .

3.5.1. Class 5 consists of the Pre-Petition Allowed Secured Claim of Tetra Financial Group (“TFG”) are 2 related operating leases with a purchase option on a medical records management system with a total payoff balance as of the filing of the Plan of approximately \$195,944.00.

3.5.2. The Class 5 Secured Claim shall be paid in full as a part of the Closing whereupon the Hospital will own the medical records management system to facilitate its obligations regarding Patient Records and Medical Records pursuant to §6.17. The Hospital will also assume the 2 maintenance agreements associated with the 2 medical records management system leases.

3.5.3. Interest Rate is 4% fixed and will accrue until this claim is paid in full.

3.5.4. Other terms of repayment are set forth in Section 5.12.1

3.5.5. The Class 5 Claim is Impaired.

3.5.6. Note: there is a second contract with TFG that has been assigned to the Bank of American Fork. This second contract is an operating lease that will be assumed and assigned to the Buyer pursuant to §6.1 of this Plan.

3.6. Class 6: Secured Claim of Key Equipment Finance.

3.6.1. Class 6 consists of the Pre-Petition Allowed Secured Claim of Ford Motor Credit Corporation on a lease for vehicles on a Group Purchasing Agreement dated April 1, 2009, with a current principal balance outstanding as of the date of this Plan of approximately \$15,862.00. On or about March 11, 2015, this lease was assigned to Key Equipment Finance Inc. (“KEFI”).

3.6.2. The Class 6 Secured Claim of KEFI shall be paid in full as a part of the Closing.

3.6.3. The amount of this claim is approximately \$15,862.

3.6.4. Interest Rate is 4% fixed and will accrue until this claim is paid in full.

3.6.5. Other terms of repayment are set forth in Section 5.12.1

3.6.6. The Class 6 Claim is Impaired.

3.7. Class 7: General Unsecured Claims.

3.7.1. Class 7 consists of the Holders of Post-Petition General Unsecured Claims and Pre-Petition General Unsecured Claims including, but not limited to: (i) Holders of Claims resulting from the Hospital's rejection of any executory contracts or unexpired leases as approved by the Court pursuant to a Rejection Order, (ii) Holders of Tort Claims or Holders of Employment Claims for which there is no Insurance Coverage, and (iii) Holders of General Unsecured Claims regardless of whether such Claims were incurred before or after the Petition Date.

3.7.2. A listing of the Creditors whose claims are included in this class and the estimated amount of such Claims as of the filing of this Plan is attached as **Exhibit "B"**. **Exhibit B-1** includes Post-Petition General Unsecured Claims and **Exhibit B-2** includes Pre-Petition General Unsecured Claims. The amounts listed on **Exhibit B-2** as a Claim for each respective Pre-Petition Creditor is the amount stated on the Creditor List, unless a proof of claim has been filed, in which case the amount stated is the amount stated in the filed proof of claim.

3.7.3. In full and final satisfaction of its Claim, each Holder of an Allowed Claim in Class 7 shall be paid pursuant to the terms of the Creditor Trust by the Creditor

Trustee. Based on information available as of the Filing of this Plan, the estimated Distributions to Class 7 should be between 55% and 75% of the Allowed Claims in Class 7.

3.7.4. Class 7 Claims are Impaired.

3.8. Class 8: Claim of OPERS.

3.8.1. Class 8 consists of Pre-Petition Allowed Unsecured Claims of OPERS arising from the Hospital's withdrawal from OPERS retirement system and as such ceased to be a participating employer in OPERS effective December 1, 2014. OPERS proof of claim No. 32 filed on January 28, 2016 in the amount of \$1,171,096.53 is based upon the assumption that the Hospital ceased to be a participating employer in OPERS effective December 1, 2014 (the "OPERS Claim").

3.8.2. In full and final satisfaction of the OPERS Claim and any other Claim that OPERS may or might have against the Hospital, the Board, or the Buyer Released Parties, the Class 8 Claim of OPERS shall be paid \$1,171,096.53 as a part of the Closing of the Second and Third Sale.

3.8.3. OPERS shall execute and deliver to the Closing Agent an agreement limiting the liability of the Hospital and the Buyer (the "OPERS Agreement") upon the payment of the full amount of OPERS Claim of \$1,171,096.53 which agreement will be approved by OPERS Board of Trustees to facilitate closing of the Second and Third sale. The form of the OPERS Agreement is attached hereto as **Exhibit "E."**

3.8.4. The Entry of the Confirmation Order shall constitute the approval of OPERS Claim which Claim is based upon the assumption that the Hospital effective December 1, 2014 ceased to be a participating employer of OPERS as a compromise

pursuant to Fed. R. Banks. P. 9019, subject to execution and delivery of the OPERS agreement limiting in exchange for payment of the full amount of OPERS claim of \$1,171.096.53. Class 8 claims are Impaired.

3.9. Class 9: Tort Claims and Employment Claims.

3.9.1. Class 9 consists of the Holders of any Tort Claims and the Holders of any Employment Claims asserted against the Hospital for which there is any Insurance Coverage. If there is no Insurance Coverage for the Tort Claim or Employment Claim, then such Claims shall be treated as a Class 7 Claim.

3.9.2. As of the Effective Date, the automatic stay and/or discharge injunction of §§ 362 and/or 524(a) of the Bankruptcy Code shall be deemed modified, as necessary, to permit each Holder of a Claim in Class 9 to (i) seek liquidation of such Claim by final judgment of a court of competent jurisdiction, or otherwise, and (ii) collect and satisfy such Claim from an issuer of a policy of indemnity insurance that provides coverage for the Claim. Holders of Class 9 Claims shall receive no other consideration under this Plan on account of such Claims.

3.9.3. The allowance of Class 9 Claims shall be treated for purposes of participation in the Chapter 9 Case as a Creditor (*e.g.*, voting upon the Plan). Such allowance shall have no preclusive effect for any other purpose in any other forum.

3.9.4. Claims 9 Claims are Impaired

3.10. Additional Terms of Treatment of Classes.

3.10.1. **Impaired Classes of Secured Claims:** Except to the extent specifically provided above, Class 1, 2, 3, 4, 5 and 6 Allowed Secured Claims of the Secured Creditors shall be paid as set forth immediately below.

(1) The Allowed amount of any 506(b) Expense Claim of any of the Secured Creditors shall be determined pursuant to Section 6.5.

(2) Any and all late charges or other default arising as a result of the delay in payments due to the filing of this case shall be deemed waived.

3.10.2. Provisions applicable to Classes of Secured Claims:

(1) Each of the Secured Creditors shall retain all their respective liens as provided in their respective contractual agreements (collectively, the “Loan Agreements”). Upon and as a part of the Closing, all such liens shall attach to the Sale Proceeds with the same priority and validity as the same were entitled regarding the Collateral.

(2) Each of the Secured Creditors shall be paid as provided in their respective Classes at the Closing on the Second and Third Sale and in exchange for such payment, shall deliver to the Closing Agent a formal release of all liens, mortgages, claims and interests in a form reasonably acceptable to the Buyer.

(3) With the exception of the modifications set forth immediately above, all of the terms of the Loan Agreements shall remain in full force and effect until Closing.

4. TREATMENT OF NON-CLASSIFIED CLAIMS

In accordance with § 1123(a)(1), the following Claims (“Non-Classified Claims”) are not classified under the Plan. Non-Classified Claims are treated in the following manner:

4.1. Post-petition Claims of First National Bank of Vinita.

Pursuant to an Order of the Court entered April 22, 2015 [Doc. 73] the Court approved a

Post-Petition line of credit loan to the Hospital from FNBV.

Treatment: The First Sale closed on September 30, 2016, with \$1,990,180.35 in net proceeds being paid to FNBV. The Post-Petition line of credit was paid in full with \$596,000 of the First Sale proceeds. If there are any further advances on this line of credit then such will be paid in full as a part of the Closing on the Second and Third Sale. The terms of the Loan Agreement shall remain in full force and effect without modification until it is paid.

Pursuant to an Order of the Court entered April 28, 2016 [Doc. 243] the Court approved an additional Post-Petition loan based upon certain accounts receivable to the Hospital from FNBV (the “Second FNBV Loan”).

Treatment: This loan will be repaid upon collection of the the accounts receivable and the proceeds thereof that are pledged as collateral. The Hospital will retain its accounts receivable and in collaboration with the Creditor Trust will collect the same. The net proceeds from such collections will first be used to pay off the Second FNBV Loan of approximately \$709,000 and then paid to the Creditor Trust as additional funds to be distributed to Creditor Trust Beneficiaries of approximately \$600,000. The Hospital as negotiated an agreement with the current billing company to finish the post close billing and collections. The fees paid for those collections will incentivize them to collect the maximum amount for the unsecured creditor’s funds. The terms agreed to at this time will be as follows:

Base fee for collections and final billing of claims	3.5% of collections
Incentive payment once gross collections exceed \$500,000	\$10,000
Incentive payment once gross collections exceed \$1,000,000	\$25,000
Incentive payment once gross collections exceed \$1,250,000	\$15,000

Incentive payment once gross collections exceed \$1,500,000	\$25,000
Base fee for collections between \$1,500,000 and \$2,000,000	10% of collections
Base fee for collections in excess of \$2,000,000	20% of cash received

The Hospital estimates gross collections at \$1,450,000 based on past collections per month and current volumes. The incentives in place the outsourced collections company should facilitate collections in excess of the estimated amounts. The estimated time for completion of this process is estimated to be six months after the Closing.

4.2. Allowance and Treatment of Administrative Claims.

4.2.1. Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed to by the Hospital, Administrative Claims will be Allowed only if:

- (1) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim Files with the Bankruptcy Court a motion requesting allowance of the Administrative Claim; and
- (2) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Administrative Claim.

The Creditor Trust may File an objection to such motion within such period of time permitted for Filing such objection. The failure to File a motion requesting an allowance of an Administrative Claim on or before the Administrative Claims Bar Date, or the failure to serve such Motion timely and properly, shall result in the Administrative Claim being forever barred and disallowed without further Order of the Bankruptcy Court and the Holder of such Administrative Claim shall have no recourse to any property sold, distributed or otherwise administered pursuant to the Plan.

Treatment: Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the Creditor Trust shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (i) twenty one (21) Business Days after the Effective Date, or (ii) twenty one (21) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order. In the event the dollar amount of Allowed Administrative Claims exceeds the funds available to pay such claims, then each Holder of such Allowed Administrative Claims shall be deemed to have agreed to a Pro Rata Payment in full satisfaction of such Allowed Administrative Claim. Based on current estimates, it seems unlikely there will be insufficient funds to pay all Administrative Claims, but the Hospital cannot guaranty such.

4.2.2. Post-Petition Unsecured Claims.

Treatment: Post-Petition Unsecured Claims shall be treated in Class 7 in the same manner and priority as all Pre-Petition Unsecured Claims, unless the Holder of a Post-Petition Unsecured Claim timely files and obtains an Allowed Administrative Claim. To provide for the orderly administration of Post-Petition Unsecured Claims, the following procedure shall be followed by the Creditor Trustee and Holders of Post-Petition Unsecured Claims listed on **Exhibit B-1**. This procedure is necessary because the Hospital will continue to operate in the ordinary course of business until the Closing on the Second and Third Sales thereby causing the amounts shown on **Exhibit B-1** to

change. Upon the Closing on the Second and Third Sales, the Hospital shall turn over all operations to the Buyer whereupon the amounts owed to Holders of Post-Petition Unsecured Claims will cease to change. As a result, the following procedure will be implemented:

1. No later than 30 days after the Effective Date, the Creditor Trustee shall File and serve upon the Holders of Post-Petition Unsecured Claims an updated Exhibit B-1 showing the final amounts owed to such Holders (the “Final List”). The amounts listed shall be the Allowed Amount of the Claim of all Holders of Post-Petition Unsecured Claims.

2. Provided however, if the Holder of Post-Petition Unsecured Claim such Claimant presents a final invoice to the Creditor Trustee on or before thirty days (30) days after the mailing of the Final List, and such invoice includes any amounts previously paid on an interim basis (the “Final Invoice”).

3. In the event the Creditor Trustee determines all or any part of any amount in a particular Final Invoice is disputed, then the Creditor Trustee shall mail by first class mail written notice of the details of such dispute to the particular holder of such claim at the address set forth in the Final Invoice no later than sixty (60) days after the receipt of the Final Invoice (the “Notice of Dispute). Any amounts not subject to a timely Notice of Dispute shall be deemed Allowed and treated as an Allowed Class 7 Claim. The failure to timely provide a Final Invoice shall result in the Allowance of the amounts due to the Claimant equal to the amount set forth in **Exhibit “B-1”**.

4. Within thirty (30) days of the receipt of a Notice of Dispute, the Claimant must file a motion with the Bankruptcy Court seeking Allowance of the disputed amounts and shall promptly obtain a hearing date from the Bankruptcy Court (an “Allowance Motion”). Any disputed amounts not subject to a timely Allowance Motion shall be deemed disallowed. Any disputed amounts allowed by the Bankruptcy Court will be treated as an Allowed Class 7 Claim.

Holders of Unsecured Post-petition Claims shall also be entitled to file a Motion for the allowance of an Administrative Claim. In the event the dollar amount of Allowed Administrative Claims exceeds the funds available to pay such claims, then each Holder of such Allowed Administrative Claims shall be deemed to have agreed to a Pro Rata Payment in full satisfaction of such Allowed Administrative Claim. This provision is reasonable and necessary because the Hospital has no source of any additional funds to pay such claims and if the Holders of Allowed Administrative Claims do not consent to Pro Rata Payment as provided herein, then the Plan cannot be Confirmed. If the Plan is not Confirmed, then the Second and Third Sales will not Close and there will be no funds to pay anything to the Holders of Allowed Administrative Claims or any other Creditors. Based on all information available to the Hospital as of the filing of this Plan, the Hospital believes there will be sufficient funds to pay Allowed Administrative Claims in full.

4.3. Cure Payments.

Cure Payments shall be determined and Allowed in accordance with the procedures set forth in Section 6.2 of the Plan.

Treatment: Cure Payments will be made to the counterparties to the Assigned

Contracts in accordance with Section 6.2 of the Plan.

4.4. 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed to by the Hospital, a 503(b)(9) Claim will be Allowed only if:

4.4.1. The 503(b)(9) Claim was filed by the 503(b)(9) Bar Date, or is deemed timely filed; and

4.4.2. Regardless of whether any objection to such 503(b)(9) Claim is filed by the Hospital or the Creditor Trust on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is allowed.

Treatment: There are only two Allowed 503(b)(9) Claims in this case: Owens & Minor Distribution, Inc., in the amount of \$21,606.95 and PC Connection Sales Corp. in the amount of \$8,500. Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the Hospital shall pay to that Person, Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before twenty one (21) Business Days after the Closing of the Second and Third Sales.

4.5. Professional Fee Claims.

Although Sections 327 – 331 of the Bankruptcy Code are not applicable in a Chapter 9 case, pursuant to § 943(b)(3), all amounts to be paid for Professional Fees in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable.

Treatment: Professionals and other persons asserting Administrative Claims pursuant to § 503(b) or who have otherwise been paid Professional Fees incurred between the Petition Date and the Effective Date have already been or will be paid in full. Each and every Professional must timely file with the Court a Professional Fee Motion requesting a Professional Fee Order on or before the Professional Fee Deadline. In the event any Professional Fee is determined or deemed to be not reasonable, then such Professional shall return such amount to the Hospital within seven (7) Business Days of the entry of such Professional Fee Order. To the extent any Professional Fees found to be reasonable in any Professional Fee Order have not been paid in full upon entry thereof by the Court, the Creditor Trust shall pay the unpaid amount in full in Cash within seven (7) Business Days after the Entry of the Professional Fee Order.

The Hospital and the Creditor Trust in the ordinary course of its business and without the requirement for Court approval may pay Professional Fees on its behalf after the Effective Date.

IT IS IMPERATIVE THAT ALL PROFESSIONALS FILE A TIMELY PROFESSIONAL FEE MOTION. ALL PROFESSIONAL FEES OF ANY PROFESSIONAL FAILING TO COMPLY WITH THIS REQUIREMENT SHALL BE DEEMED TO BE NOT REASONABLE.

4.6. No Other Priority Claims.

The only category of Priority Claims incorporated into a Chapter 9 case through § 901(a) are Administrative Claims allowable under § 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described immediately above in this Section 4 of the Plan. No other kinds of Priority Claims set forth in § 507 are recognized or entitled to priority

in Chapter 9 or in this Case, but rather are treated in this Chapter 9 Case and are classified in the Plan as General Unsecured Claims.

5. IMPLEMENTATION OF THE PLAN

5.1. Consent under § 904.

Pursuant to and for purposes of § 904, the Hospital consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

5.2. Sale of Hospital.

The primary purpose of this Plan is to facilitate the Sales of the Hospital Facilities to the Buyer for an aggregate cash price of \$10,000,000.00. The First Sale closed on September 30, 2016, to provide additional operating funds to the Debtor and pay down the obligations owed to FNBV. Court approval of this sale was not required because §363 does not apply to Chapter 9 cases. The Second and Third Sales will close after the entry of the Confirmation Order. All of the Purchase Agreements are set forth in the 3 parts of **Exhibit A** and shall be incorporated into this Plan as an integral part hereof. All of the cash proceeds from the Sales shall be administered and distributed pursuant to the terms of this Plan even though the proceeds from the Closing on the First Sale were distributed prior to Confirmation.

The Buyer is Saint Francis Hospital Vinita, Inc. The Buyer is not an insider or a Pre-Petition creditor of the Hospital; however the Hospital has one or more ordinary course relationships with an affiliate of the Buyer.

The entry of the Confirmation Order shall constitute the adjudication of each of the

following:

5.2.1. The approval of all of the terms of the Purchase Agreements and shall empower the Officers and Directors of the Hospital to fully perform the terms of the Purchase Agreements, including but not limited to the execution and delivery of all documents and instruments necessary to effect the transfer and conveyance of all of the Hospital Facilities to the Buyer. To avoid any doubt, the entry of the Confirmation Order shall constitute the adjudication for all purposes of the validity of the Purchase Agreements and all actions contemplated therein to accomplish the Sales.

5.2.2. The Purchase Agreements were negotiated and are undertaken by the Hospital and the Buyer at arm's length without collusion or fraud, and in good faith within the meaning of § 363(m) of the Bankruptcy Code. The Buyer is not an "insider" of the Hospital as that term is defined by § 101(31) of the Bankruptcy Code. The Buyer recognized that the Hospital was free to deal with any other party interested in acquiring the Hospital Facilities and willingly subjected the terms of the Purchase Agreements to the approval process associated with the confirmation of this Plan. All payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the Sales have been disclosed, the Buyer has not violated § 363(n) of the Bankruptcy Code by any action or inaction, and no common identity of directors exists between the Buyer and the Hospital. The Buyer is a "good faith Buyer" and as such, is entitled to all of the protections afforded by §§ 363(m) and 1123(a)(5)(D) thereby, including in the event the Confirmation Order or any portion thereof is reversed or modified on appeal. The Buyer otherwise has proceeded in good faith in all respects in connection with the Sales specifically and Hospital's Chapter 9 Case generally.

5.2.3. No other person or entity or group of persons or entities has offered to purchase the Hospital Facilities for an amount that would provide greater value to the Hospital than the Buyer. The Court's entry of the Confirmation Order along with the included approval of the Purchase Agreements and the Sales maximizes the Hospital's recovery for the Hospital Facilities, and, thus, is in the best interests of the Hospital, its creditors and all other parties in interest.

5.2.4. The aggregate Purchase Price in the Purchase Agreements constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and any other applicable law, and may not be avoided under any section of the Bankruptcy Code or any other applicable law described in this sentence. The Purchase Agreements were not entered into, and the Sales are not being consummated, for the purpose of hindering, delaying or defrauding creditors of the Hospital under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia, or any other applicable law. Neither the Hospital nor the Buyer has entered into the Purchase Agreements or is consummating the Sales with any fraudulent or otherwise improper purpose

5.2.5. Neither the Hospital nor the Buyer engaged in any conduct that would cause or permit the Purchase Agreements or the consummation of the Sales to be voided or avoided, or costs or damages to be imposed against either of them, under any section of the Bankruptcy Code.

5.2.6. The Closing on the First Sale took place prior to Confirmation as provided in the Purchase Agreements. The Closing on the Second and Third Sales shall

occur on or prior to five days after the entry of the Confirmation Order, provided no stay of the Confirmation Order is in effect as of the proposed Closing of the Second and Third Sales, although the Hospital and the Buyer may mutually agree to extend the calendar date for the closing without notice and without any approval beyond the Confirmation Order. The Hospital is at the time of Closing of each of the respective Sales the sole and lawful owner of the Hospital Facilities. Except as otherwise provided in the Purchase Agreements, the transfer of the Hospital Facilities to the Buyer will be, as of the respective Closings a legal, valid, and effective transfer of the respective Hospital Facilities covered by the applicable Purchase Agreement, which transfer vests or will vest the Buyer with all right, title, and interest of the Hospital to the respective Hospital Facilities free and clear of, among other things: (i) all liens, claims, encumbrances and interests, (ii) all debts arising under, relating to, or in connection with any act or omission of the Hospital and all claims (as that term is defined in § 101(5) of the Bankruptcy Code), Liabilities, obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement of the Hospital's Chapter 9 Case, and whether imposed by agreement, understanding, statute, law, equity or otherwise (including, without limitation, rights and remedies with respect to claims, liens, encumbrances, and interests (1) that purport to give to any party rights of setoff or recoupment, rights or options to effect any forfeiture, modification, or restriction, profit sharing interests, rights and options of first refusal, rights and options to purchase or repurchase or terminate the Hospital's or the Buyer's interests in the Hospital Facilities, or any similar rights, (2) in respect of taxes and charges of any kind or nature, if any,

including, without limitation, any restriction on use, transfer, receipt of income or other exercise of any attributes of ownership) relating to, accruing or arising any time prior to or as a part of the Closing of the Second and Third Sales, or (3) the OPERS Claim (collectively with subsections (i) and (ii) above, the “Interests”).

5.2.7. The Buyer would not have entered into the Purchase Agreements and would not consummate the transactions contemplated thereby if the respective Sales of the Hospital Facilities to the Buyer were not free and clear from any and all Interests pursuant to § 1123(a)(5)(D) of the Bankruptcy Code, or if the Buyer or the Hospital Facilities acquired by the Buyer would, or in the future could, be liable for any of the Interests or if the Hospital Facilities acquired by the Buyer would, or in the future could, be made available to satisfy or pay any Interests. Effective upon and as a part of each respective Closing, the Buyer and the Hospital Facilities shall not be responsible for nor liable for the payment of any Interests, including in respect of the following, and the Buyer and the Hospital Facilities shall be fully exempt from any possible responsibility for or liability related thereto (whether under theories of successor liability or otherwise): (i) any labor or employment agreements; (ii) all mortgages, deeds of trust, capital leases, security interests and liens; (iii) any intercompany loans and receivables between the Hospital and any non-Hospital affiliate; (iv) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of the Hospital including OPERS (or the OPERS Claim), any affiliate of the Hospital, or any member of the Hospital’s “control group;” (v) any other employee, worker’s compensation, occupational disease or unemployment or temporary disability related claim, including, without limitation,

claims that might otherwise arise under or pursuant to any of: (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, (k) the Worker Adjustment and Retraining Notification Act, 29 U.S.C §§ 2101 et. seq., or (l) any other state or federal benefits or claims relating to any employment with the Hospital or any of their predecessors; (vi) Interests arising under any Environmental, Health and Safety Laws with respect to any assets owned or operated by Hospital or any corporate predecessor at any time prior to the Closing and any liabilities of the Hospital related thereto; (vii) any bulk sales or similar law; (viii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, and any taxes arising under or out of, in connection with, or in any way relating to the operation of the Hospital Facilities prior to Closings, including; (ix) any excise taxes or stamp taxes assessed by any applicable taxing authority; and (x) any and all Interests arising out of violations, or other non-compliance with any law(s), regulation(s), standard(s), guideline(s), enforcement order(s), or any other authority or requirement enforced by, or under the supervision of the Occupational Safety and Health Administration; and (xi) any theories of successor liability or causes of action related thereto. A sale of the Hospital Facilities other than one free and clear of all Interests would yield substantially less value for the Hospital Facilities, with less certainty, than

the Sales as contemplated by the Purchase Agreements and this Plan. Therefore, the Sales contemplated by the Purchase Agreements maximize the Hospital's recovery on the Hospital Facilities, and, thus, Closing each Purchase Agreement is in the best interests of the Hospital, its creditors and all other parties in interest.

5.2.8. The Hospital may sell the Hospital Facilities free and clear of all Interests with respect to each creditor or other person or entity asserting an Interest. Those holders of Interests who do not object (or who ultimately withdrew their objections, if any) to the entry of the Confirmation Order are deemed to have consented to the Plan and each term and provision contained herein and to the entry of the Confirmation Order.

5.2.9. The Buyer is not holding itself out to the public as a continuation of or as a successor of or to the Hospital and is not an "insider" or "affiliate" of the Hospital, as those terms are defined in the Bankruptcy Code. There is no common identity of directors or beneficiaries now existing nor has any such common identity ever existed between the Buyer and the Hospital. The conveyance of the Hospital Facilities does not amount to a consolidation, merger or de facto merger of the Buyer and the Hospital. There is no substantial continuity between the Buyer and the Hospital because there is no continuity of enterprise between the Hospital and the Buyer, the Buyer is not a mere continuation of the Hospital, and the Buyer does not constitute a successor to the Hospital. The Buyer's acquisition of the Hospital Facilities shall be free and clear of any "successor liability" claims of any nature whatsoever, whether known or unknown and whether asserted or unasserted as of each respective Closing. The Buyer's operations shall not be deemed a continuation of the Hospital's business as a result of

the acquisition of the Hospital Facilities. The Buyer would not have acquired the Hospital Facilities but for the foregoing protections against potential claims based upon “successor liability” theories.

5.2.10. Each and every provision of each of the Assigned Contracts or applicable non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Assigned Contract has been satisfied or is otherwise unenforceable under § 365 of the Bankruptcy Code. All non-Hospital counterparties to the Assigned Contracts who did not or do not timely file an objection to the assumption and assignment of the Assigned Contract(s) to which they are counterparty are deemed to consent to the assumption by the Hospital of their respective Assigned Contract(s) and the assignment thereof to the Buyer, and the Buyer shall enjoy all of the rights and benefits under each such Assigned Contract as of the time of completion of Closing of the Second and Third Sales (“the “Assumption Event”), without the necessity of obtaining such non-Hospital party’s written consent to the assumption or assignment thereof. Upon the occurrence of the Assumption Event, the Assigned Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Plan, and shall be assigned and transferred to the Buyer, notwithstanding any provision in the Assigned Contracts prohibiting or otherwise restricting or conditioning such assignment or transfer. From and after occurrence of the Assumption Event, all non-Hospital counterparties to Assigned Contracts shall be obliged to perform thereunder for the benefit of the Buyer in accordance with the terms of their respective Assigned Contract(s), irrespective of whether any sums remain unpaid or other obligations remain unperformed thereunder

prior to or at the time of the Assumption Event. The Buyer (1) shall not be responsible for fulfillment or performance of any obligation of the Hospital arising under any Assigned Contract prior to occurrence of the Assumption Event, whether such obligation is monetary or non-monetary in nature, and (2) shall be obliged to perform under each of Assigned Contracts only from and after occurrence of the Assumption Event. The Hospital has demonstrated that it is an exercise of its sound business judgment to assume and assign the Assigned Contracts to the Buyer in connection with the consummation of the Sale of the Hospital Facilities, and the assumption and assignment of the Assigned Contracts is in the best interests of the Hospital, its creditors, and other parties in interest. The Assigned Contracts being assigned to the Buyer are an integral part of the Sale of the Hospital Facilities and, accordingly, their assumption and assignment are reasonable and an enhancement to the value of the Hospital Facilities.

5.2.11. Pursuant to the notices sent to the counterparties to the Assigned Contracts, the aggregate Cure Payments will be paid by the Hospital from the Sale Proceeds. The Buyer has demonstrated adequate assurance of future performance of all Assigned Contracts within the meaning of § 365 of the Bankruptcy Code, including its promise to perform the Hospital's obligations under the Assigned Contracts for periods after the Assumption Event. The Cure Payments are deemed the amounts necessary to "cure" (within the meaning of § 365(b)(1) of the Bankruptcy Code) all "defaults" (within the meaning of § 365(b) of the Bankruptcy Code) under the Assigned Contracts. Any objections to the Cure Payments, to the extent not otherwise resolved, are hereby overruled. To the extent that any non-Hospital counterparty failed to timely object to its

Cure Payment or to raise any other alleged default or breach of contract, such counterparty is deemed to have consented to such Cure Payment and to the assignment of its respective Assigned Contract(s) to the Buyer and to have waived any other defaults or breaches. With respect to all such Assigned Contracts, the payment of the Cure Payments as provided in this Plan is appropriate and is deemed to fully satisfy the Hospital's obligations under §§ 365(b) and 365(f) of the Bankruptcy Code. Accordingly, all of the requirements of §§ 365(b) and 365(f) of the Bankruptcy Code have been satisfied for the assumption by the Hospital, and the assignment by the Hospital to the Buyer, of each of the Assigned Contracts to be assumed and assigned to the Buyer as of the Assumption Event. To the extent any Assigned Contract is not an executory contract within the meaning of § 365 of the Bankruptcy Code, it shall be transferred to the Buyer in accordance with the terms of the Plan as approved by the Confirmation Order that are applicable to the Hospital Facilities, and the Buyer shall have no liability or obligation for any (a) defaults or breaches under such agreement that relate to acts or omissions that occurred in the period, or otherwise arose, prior to the date of the Assumption Event, and (b) claims, counterclaims, offsets, or defenses (whether contractual or otherwise, including without limitation, any right of recoupment) with respect to such Assigned Contract, that relate to any acts or omissions that arose or occurred prior to the date of the Assumption Event.

5.2.12. Each and every provision of the documents governing the Assigned Contracts or applicable non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any of the Assigned Contracts, if any, have been satisfied or are otherwise

unenforceable under § 365 of the Bankruptcy Code.

5.2.13. Entry into and consummation of the Purchase Agreements constitute the exercise by the Hospital of sound business judgments, and such acts are in the best interests of the Hospital, its creditors, and all parties in interest. The Hospital has articulated good and sufficient business reasons justifying the Sales of the Hospital Facilities to the Buyer. Additionally in the aggregate: (i) the Purchase Agreements constitute the highest and best offer for the Hospital Facilities; (ii) the Purchase Agreements and the Closings thereon presents the best opportunity to realize the maximum value of the Hospital Facilities and avoid a decline and devaluation of the Hospital Facilities; (iii) there is risk of deterioration of the value of the Hospital Facilities if the Sales are not consummated promptly; and (iv) the Purchase Agreements and the Closings thereon will provide a greater recovery for the Hospital's creditors than would be provided by any other presently available alternative. The Hospital has demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the Sales as a part of this Plan. Because the entry into and consummation of the Purchase Agreements constitutes the exercise by the Hospital of sound business judgment, the Hospital, its respective members, officers, directors, employees, advisors, professionals or agents, shall have or incur no liability to the Hospital Trust or any holder of a Claim for any act or omission in connection with, related to, or arising out of the negotiations of the Purchase Agreements or the consummation of the transactions contemplated thereunder.

5.2.14. The Hospital's rights, title, and interests in, to and under each of the Hospital Facilities and each of the Assigned Contracts are not subject to cancellation or

termination, and have not been adversely affected, as a result of any non-payment of rents, taxes, or any other amounts occurring prior to the Closings of the respective Sales.

5.2.15. Pursuant to § § 105, 365 and 1123(a)(5)(D) of the Bankruptcy Code, the Purchase Agreements collectively, the assumption and assignment of the Assigned Contracts to the Buyer as of the Assumption Event and the Sale of the Hospital Facilities and the other Transactions are hereby approved and the Hospital is hereby authorized and directed to consummate, and shall be deemed for all purposes to have consummated, the Sales, including the sale, transfer and assignment of all of the Hospital's right, title and interest in the Hospital Facilities to the Buyer free and clear of any and all Interests in accordance with the terms of the Purchase Agreements and this Plan. Pursuant to § § 105, 365 and 1123(a)(5)(D) of the Bankruptcy Code, the Hospital and the Buyer are each hereby authorized and directed to take any and all actions necessary or appropriate to: (a) consummate the Sale of the Hospital Facilities to the Buyer and to effect the Closings of the Sale and the Purchase Agreements in accordance with this Plan, (b) assume and assign the Assigned Contracts to be assumed and assigned to the Buyer as of the Assumption Event, and (c) perform, consummate, implement and close fully the Purchase Agreements and to execute and deliver any and all additional instruments and documents that may be reasonably necessary or desirable to implement and fully consummate the Purchase Agreements. The Hospital is hereby authorized and directed to perform each of its respective covenants and undertakings as provided in the Purchase Agreements and the Plan prior to or after the Closings of the respective Sales without further order of the Court. The Buyer and the Hospital shall have no obligation to close the Sales except as is contemplated and provided for in the Purchase Agreements. The

Buyer shall not be required to seek or obtain relief from the automatic stay under § 362 of the Bankruptcy Code to enforce any of its remedies under the Purchase Agreements or any other sale-related document. The automatic stay imposed by § 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the provisions of this Plan.

5.2.16. Any and all Hospital Facilities in the possession or control of any person or entity, including any vendor, supplier or employee of the Hospital shall be transferred to the Buyer free and clear of all Interests and shall be delivered to the Buyer and deemed delivered at the time of the respective Closings (or such other time as provided in the Purchase Agreements).

5.2.17. Effective upon and as a part of each respective Closing, the transfer to the Buyer of the Hospital's right, title and interest in the respective Hospital Facilities pursuant to the respective Purchase Agreements shall be, and hereby is deemed to be, a legal, valid and effective transfer of the Hospital's right, title and interest in such respective Hospital Facilities, and vests with or will vest in the Buyer all right, title and interest of the Hospital in such respective Hospital Facilities, free and clear of all Interests.

5.2.18. Except as expressly provided in the Purchase Agreements or by the entry of the Confirmation Order, effective upon and as a part of each respective Closing all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, vendors, suppliers, employees, trade creditors, litigation claimants and other persons holding Interests against or in the Hospital or the Hospital's interests in the Hospital Facilities

(whether known or unknown, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of Hospital's Chapter 9 Case or each respective Closing, whether imposed by agreement, understanding, statute, law, equity or otherwise), shall be and hereby are forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing such Interests against the Buyer Released Parties, the Hospital Facilities, the Assigned Contracts or the interests of the Hospital or the Buyer in such Hospital Facilities and Assigned Contracts, including, without limitation, taking any of the following actions with respect to an Interest: (a) commencing or continuing in any manner, any action or other proceeding against the Buyer Released Parties or their respective assets or properties, including the Hospital Facilities and the Assigned Contracts; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Buyer Released Parties or their respective assets or properties, including the Hospital Facilities and the Assigned Contracts; (c) creating, perfecting or enforcing any liens, claims, encumbrances or other interests against the Buyer Released Parties or their respective assets or properties, including the Hospital Facilities and the Assigned Contracts; (d) asserting a claim as a setoff, right of subrogation or recoupment of any kind against any obligation due the Buyer Released Parties, including obligations owed under the Assigned Contracts; or (e) commencing or continuing any action in any manner or place that does not comply, or is inconsistent, with the provisions of this Plan and the Confirmation Order or the agreements or actions contemplated or taken in respect thereof. **All persons are hereby enjoined from taking any action that would interfere with or adversely affect the**

ability of the Hospital to transfer and assign the Hospital Facilities and the Assigned Contracts in accordance with the terms of the Purchase Agreements, this Plan and the Confirmation Order. Following each respective Closing of a Purchase Agreement, no holder of an Interest against the Hospital or the Hospital Facilities conveyed pursuant to that Purchase Agreement shall interfere with the Buyer's title to or use and enjoyment of the Hospital Facilities so conveyed. Likewise, after occurrence of the Assumption Event, no holder of an Interest against the Hospital and no non-Hospital counterparty to an Assigned Contract shall interfere with the Buyer's title to or exercise of rights under the Assigned Contracts.

5.2.19. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the transactions contemplated by the Purchase Agreements, this Plan and the Confirmation Order.

5.2.20. Upon and as a part of each respective Closing, this Plan and the Confirmation Order shall be construed and shall constitute for any and all purposes approval for Hospital to transfer and for the Buyer to receive a full and complete general assignment, conveyance, deed and/or bill of sale, as applicable, to transfer all of the Hospital's marketable right, title and interest in the Hospital Facilities to the Buyer at the respective Closings pursuant to the terms of the respective Purchase Agreements, free and clear of all Interests.

5.2.21. Subject to the provisions of this Plan and the Confirmation Order, upon occurrence of the Assumption Event the Buyer shall succeed to the entirety of the Hospital's rights and obligations in the Assigned Contracts to be assumed and assigned

to the Buyer first arising and attributable to the time period occurring on or after the occurrence of the Assumption Event and shall have all rights thereunder.

(1) Upon occurrence of the Assumption Event, (i) all pre-Assumption Event defaults (monetary and non-monetary) under the Assigned Contracts shall be deemed cured and satisfied in full through the payment of the Cure Payments, (ii) no other amounts will be owed by the Hospital or the Buyer with respect to amounts first arising or accruing during, or attributable or related to, the period prior to the occurrence of the Assumption Event with respect to the Assigned Contracts and (iii) any and all persons or entities shall be forever barred and estopped from asserting a claim against the Hospital, the Buyer, the Assigned Contracts or the Hospital Facilities that any additional amounts are due or defaults exist under the Assigned Contracts that arose or accrued, or relate to or are attributable to the period prior to occurrence of the Assumption Event. The obligations pursuant to the terms of this Plan to pay the Cure Payments and Buyer's promise to perform the Hospital's obligations under the Assigned Contracts for the period after occurrence of the Assumption Event shall constitute adequate assurance of its future performance under the Assigned Contracts being assigned to it at the Closing of the Second and Third Sales within the meaning of § § 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code.

(2) Upon occurrence of the Assumption Event the Assigned Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Plan, and shall be assigned and transferred to the Buyer, notwithstanding any provision in such Assigned

Contracts or other restrictions prohibiting assignment or transfer. Furthermore, other than Assigned Contracts, no other contract shall be deemed assumed by the Hospital and assigned to the Buyer pursuant to § 365 of the Bankruptcy Code. The failure of the Hospital or the Buyer to enforce at any time one or more terms or conditions of any Assigned Contract shall not be a waiver of such terms or conditions, or of the Hospital's and the Buyer's rights to enforce every term and condition of such Assigned Contract.

(3) All non-Hospital counterparties to the Assigned Contracts to be assumed and assigned to Buyer upon occurrence of the Assumption Event shall cooperate and expeditiously execute and deliver, upon the reasonable request of the Buyer, and shall not charge the Hospital or the Buyer for, any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers and assignments in connection with the Transactions.

(4) Notwithstanding the foregoing, in accordance with and pursuant to the terms and conditions of the Purchase Agreements, at any time prior to the occurrence of the Assumption Event the Hospital may, at the Buyer's sole discretion and direction, amend the list of Assigned Contracts (**Exhibit "D"**) to delete any such contract or lease in which case such designated contract or lease shall not be an Assigned Contract and shall be excluded from the Sales and shall not be assumed by the Hospital or assigned to the Buyer.

5.2.22. Effective as of the Closing of the Second and Third Sale, the Confirmation Order and the Plan: (a) are and shall be effective as a determination that

all Interests of any kind or nature whatsoever existing as to the Hospital Facilities prior to the Closing of the Second and Third Sale have been unconditionally released, discharged and terminated, and that the conveyances described herein and in the Purchase Agreements and the Hospital's assumption and assignment of the Assigned Contracts to Buyer have been effected free and clear of all Interests; (b) are and shall be binding upon and shall govern the acts of all persons and entities, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Hospital Facilities conveyed or assigned to the Buyer, and all recorded Interests against the Hospital Facilities shall be deemed stricken from such entities' records, official and otherwise.

5.2.23. If any person or entity that has filed financing statements, mortgages, mechanic's liens or other documents or agreements evidencing Interests in, liens or encumbrances on, or claims against the Hospital Facilities shall not have delivered to the Hospital before the Closing in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Interests that the person or entity has or may assert with respect to the Hospital Facilities, each of the Hospital and the Buyer, acting alone, are hereby

authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Hospital Facilities. The Buyer is hereby authorized to file, register or otherwise record a certified copy of the Confirmation Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Interests against the Hospital Facilities. The Confirmation Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state or local government agency, department or office. **All persons and entities are hereby forever barred, prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Hospital to sell and transfer the Hospital Facilities to Buyer or to assume and assign the Assigned Contracts to Buyer or that would adversely affect or interfere with the Buyer's right to purchase the Hospital Facilities and to receive an assignment of the Assigned Contracts in accordance with the terms of this Plan, the Purchase Agreements and the Confirmation Order.**

5.2.24. Each and every federal, state, county and governmental agency or department, and any other person or entity, is hereby authorized to accept any and all documents and instruments in connection with or necessary to consummate the transactions contemplated by the Purchase Agreements. No governmental unit may revoke or suspend any lawful right, license, trademark or other permission relating to the use of the Hospital Facilities sold, transferred or conveyed to the Buyer on account of the filing or pendency of Hospital's Chapter 9 Case or the consummation of the Transactions. For the avoidance of doubt, the Sale of the Hospital Facilities authorized herein shall be of full force and effect, regardless of whether the Hospital or any of their

affiliates lack good standing in any jurisdiction in which such entity is formed or is authorized to transact business.

5.2.25. To the extent this Plan is materially inconsistent with any prior order or pleading in Hospital's Chapter 9 Case, the terms of this Plan and the Confirmation Order shall govern. To the extent there is material inconsistency between the terms of this Plan, the Confirmation Order and the terms of the Purchase Agreements (including all ancillary documents executed in connection therewith), the terms of this Plan and the Confirmation Order shall govern.

5.2.26. This Plan, the Confirmation Order and the Purchase Agreements shall be binding in all respects upon the Hospital and all parties in interest to Hospital's Chapter 9 Case, including, but not limited to, all creditors of, and holders of beneficial interests in, the Hospital, any holders of liens, claims, encumbrances or other Interests in, against or on all or any portion of the Hospital Facilities (whether known or unknown), the Buyer and all successors and assigns of the Buyer, the Hospital Facilities and any trustees, examiners, "responsible persons" or other fiduciaries appointed in Hospital's Chapter 9 Case and the Purchase Agreements shall not be subject to rejection or avoidance under any circumstances.

5.2.27. The failure specifically to include or make reference to any particular provisions of the Purchase Agreements or any related ancillary document in this Plan and the Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court by entry of the Confirmation Order that the Purchase Agreements and all related ancillary documents are authorized and approved in their entirety.

5.2.28. The Purchase Agreements and any related agreements, documents or other instruments may be modified, amended, or supplemented through a written document signed by the parties thereto in accordance with the terms thereof without further order of the Court; provided, however, that any such modification, amendment or supplement is neither material nor materially changes the economic substance of the transactions contemplated hereby.

5.2.29. The provisions of this Plan, the Confirmation Order and the Purchase Agreements are non-severable and mutually dependent; provided, however the Buyer may, in its sole discretion, waive any provision determined to be unenforceable in whole or in part.

5.2.30. Neither the Buyer nor the Hospital shall have an obligation to close the Transactions until all conditions precedent in the Purchase Agreements to each of their respective obligations to close the Transactions have been met, satisfied, or waived in accordance with the terms of the Purchase Agreements.

5.2.31. The Secured Creditors' claims are such that they could be compelled to accept cash in satisfaction of their respective claims; therefore, the Hospital may sell the Hospital Facilities free and clear of the claims of the Secured Creditors and all other parties to this case. The Secured Creditors shall not retain their rights to credit bid because the Purchase Price substantially exceeds the aggregate claims of all of the Secured Creditors. Moreover, the Property is being sold as one lot and none of the Secured Creditors have first in priority liens upon all of the Hospital Facilities. All claims of the Secured Creditors against the Hospital Facilities shall attach to the proceeds of the sale without prejudice to the assertion of such claims against the

proceeds of the sale as if the Hospital Facilities had not been sold.

5.2.32. The OPERS Claim to be paid in full under the plan in the amount of \$1,171,096.53 is based upon the assumption that the hospital ceased to be a participating employer of OPERS effective December 1, 2014.

5.3. Impaired Classes are Entitled to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each Holder of a Claim in an Impaired Class as of the Petition Date shall be entitled to vote to accept or reject the Plan.

5.4. Classification Controversies.

If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

5.5. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

5.6. Cramdown – Confirmation Without Acceptance by All Impaired Classes.

With respect to any Impaired Class of Claims that fails to accept the Plan pursuant to § 1126, the Hospital requests that the Bankruptcy Court confirm the Plan pursuant to § 1129(b). The Plan shall constitute a motion for such relief.

5.7. Distributions Only to Holders of Allowed Claims.

Notwithstanding any other term or provision of the Plan, no Distributions will be made and no rights will be retained on account of any Claim that is not an Allowed Claim.

5.8. Effect of Plan Treatment.

The treatment provided in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any Liens, encumbrances, charges, and Interests) that each Person holding a Claim may have or assert against the Hospital or the Hospital Facilities. This treatment supersedes and replaces any agreements or rights that any Holder of a Claim may otherwise have or assert against the Hospital or the Hospital Facilities.

5.9. Post-confirmation Hospital Affairs.

There is no separate Bankruptcy Estate created by the filing of a Chapter 9, therefore, on the Effective Date, any property of the Hospital not otherwise treated or administered by the Plan shall remain vested in the Hospital and shall thereafter be used, administered, and/or liquidated, whereupon the Sale Proceeds will be distributed in accordance with the terms of this Plan. Post-confirmation the Hospital shall remain the same trust entity that existed on the Petition Date and nothing in this Plan shall be construed to mean that any new entity or trust is created by this Plan (except for the Creditor Trust).

5.9.1. Corporate Governance, Trustees, and Officers.

(1) Directors and Officers of the Hospital.

(a) **Directors.** After the Effective Date, the trustees of the Hospital remain the same as those who served on the Board of Trustees as of

the date of this Plan. Cecil Egnor shall continue to serve as Chairman of the Board of Trustees after the Effective Date.

(b) **Officers.** Jete Edmisson will serve as interim Chief Executive Officer after the Effective Date and thereafter unless the Hospital shall retain a full time replacement as an employee.

(c) **Protection of terminated Director and Officers.** Upon termination, all of the Directors and Officers of the Hospital shall continue as beneficiaries of the releases and injunctions provided in §9 of this Plan in perpetuity.

5.9.2. **Hospital's Existence.** Following the Effective Date, the Hospital Trust shall remain in existence pursuant to the terms of this Plan. Upon closing of the sale and distribution of all of the Sale Proceeds, the Hospital Trust shall continue in existence as modified pursuant to Section 5.15 of this Plan. In the event of a conflict between the terms of this Plan and the Trust Indenture, the terms of this Plan shall control.

5.10. Dissolution of Committee.

As of the filing of the Plan, there was no Official Committee of Unsecured Creditors (the "Committee"). In the event a Committee is formed, then on the Effective Date, the Committee will dissolve and the members of the Committee will be released and discharged from all duties and obligations arising or relating to the Case. The Professionals retained by the Committee and the members thereof will not be entitled to seek compensation or reimbursement of expenses for any services rendered after the Effective Date.

5.11. 506(b) Expense Claim Allowance Procedures.

Each Claimant must file and serve (on the Core Notice Parties), fourteen (14) days prior to the Confirmation Hearing, a request for allowance of its 506(b) Expense Claim, accompanied by an invoice setting forth in reasonable detail the fees, expenses, costs and other amounts it seeks to have included in its 506(b) Expense Claim (including an estimate for fees, expenses, costs and other amounts it expects to incur prior to the Effective Date).

As to each request, if there is no procedurally proper objection filed and served within fourteen (14) days of the filing of such request, the 506(b) Expense Claim shall be deemed allowed in the amount requested without further order from or application to the Bankruptcy Court. As to any request for which there has been a procedurally proper objection to the request generally or for allowance of any particular amount, such dispute(s) shall be determined by the Bankruptcy Court and deemed allowed upon entry of the order of the Court regarding the same and the lapse of any stay of enforcement of any such order.

To the extent a 506(b) Expense Claim is allowed pursuant to the 506(b) Expense Claim Allowance Procedures after the Effective Date, the allowed amount shall be retroactively added to the principal balance owing to the holder thereof as of the Effective Date and the payments and the Claim Holder's claim shall be extended beyond its original maturity date by a sufficient number of months to provide for payment in full of such additional principal with interest thereon in installments equal to those set forth hereinabove.

5.12. Additional Documents.

This Plan shall constitute a modification to the existing contracts, notes, mortgages, security agreements, decrees, judgments and other memorialization of any

financial obligation existing between the Hospital and all parties in interest. It shall not be necessary to execute any additional documentation, nor shall it be necessary to file any additional instruments to perfect the obligations created by this Plan.

5.13. Additional Debt.

At any time after the Effective Date, except as otherwise provided in the Plan, the Hospital shall be authorized to incur debt and encumber any or all of its assets and, in all instances, without the need for any Court approval.

5.14. The Hospital's Equity.

The Hospital is a not for profit trust entity and as such, (1) has never had any equity security holders; (2) has never been authorized to issue equity securities; and (3) no equity securities shall be issued pursuant to this Plan. Therefore, the Hospital shall have no equity security holders at any time from and after the Effective Date. The residual beneficial interest in the Hospital in favor of Craig County, Oklahoma shall not be modified by this Plan.

5.15. Entity Matters.

The trust agreements, by-laws and minutes of the Hospital shall be deemed amended or supplemented as is necessary and appropriate to recognize the effects of the Confirmation of the Plan upon the Hospital as a legal entity and, further, to the extent necessary to carry out the provisions of the Plan.

After the Closing, the Trust Indenture shall be deemed modified so that the purpose thereof shall (1) no longer include the ownership or operation of any type of health care provider services; and (2) be solely to wind up the affairs of the Hospital.

5.16. Preservation of Rights of Action; Settlement of Litigation Claims.

The Plan and the Hospital's request for entry of the Confirmation Order shall constitute a motion to compromise claims under Rule 9019 of the Bankruptcy Rules. Except as otherwise provided herein or in the Confirmation Order, or in any contract, instrument, release, indenture, or other agreement entered into in connection with this Plan, in accordance with § 1123(b) of the Bankruptcy Code, following the Effective Date, the Hospital shall retain for the benefit of the Creditor Trust all Recovery Claims that the Hospital may hold. The Hospital's rights to commence, prosecute, or settle such Recovery Claims shall be preserved for the benefit of the Creditor Trust notwithstanding the occurrence of the Effective Date. The Creditor Trust is hereby appointed as the exclusive agent of the Hospital to pursue the Recovery Claims as appropriate, in accordance with the best interests of the Creditor Trust. The Creditor Trust shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Recovery Claims and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Recovery Claim against it as any indication that the Creditor Trust will not pursue any and all available Recovery Claims against such Person. The Hospital or the Creditor Trust, as applicable, expressly reserve all rights to prosecute any and all Recovery Claims against any Person, except as otherwise expressly provided in the Plan.** Unless any Recovery Claims against an Person are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, the Confirmation Order or another Bankruptcy Court order, the Hospital for the benefit of the Creditor Trust expressly reserves all Recovery Claims, for later

adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to any or all of the Recovery Claims upon, after, or as a consequence of the Confirmation or Consummation. To avoid any ambiguity, all Recovery Claims shall be held by the Hospital and the Creditor Trust shall be the sole an exclusive agent of the Hospital for purposes of the administration of the Recovery Claims and all proceeds from all Recovery Claims shall be paid to the Creditor Trust.

5.17. Indemnification of Trustee, Officers and Employees. The obligations of Hospital to indemnify any Released Party serving at any time as one of its trustees, officers or employees by reason of such Released Party's service in such capacity, or as a trustee, officer or employee of any other Person, to the extent provided in the Hospital's existing trust agreement, bylaws or similar constitutive documents, or any specific agreement relating to any claims, demands, suits or proceedings against such Released Party based upon any act or omission related to service with or on behalf of the Hospital prior to the Effective Date, or under applicable state law (to the maximum extent permitted thereunder), shall be deemed and treated as executory contracts in which the Hospital shall be deemed to have assumed any such indemnification obligations provided therein pursuant to § 365 as of the Effective Date.

5.18. Withdrawal from Oklahoma Public Employees Retirement System and Full Satisfaction of Claims. The Entry of the Confirmation Order shall constitute and be deemed a withdrawal from OPERS pursuant to 74 O.S. § 910(1) as of December 1, 2014. The obligations of the Hospital under this Plan shall constitute and be deemed full satisfaction of all obligations of the Hospital and the Buyer to OPERS.

5.19. Creditor Trust.

To implement the provisions of the Plan the Hospital will execute the Creditor Trust Agreement which shall create the Craig County Hospital Creditor Trust (the “Creditor Trust”). A copy of the Creditor Trust Agreement shall be filed with the Court on or before the Hearing on the Disclosure Statement and be attached to this Plan as **Exhibit “C”**. All of the terms of the Creditor Trust are incorporated herein by reference. A summary of the Creditor Trust terms is set forth below:

5.19.1. Establishment of the Creditor Trust. The Creditor Trust shall be established for the benefit of the Creditor Trust Beneficiaries. This Section 5.19 sets forth certain of the rights, duties, and obligations of the Trustee. In the event of any conflict between the terms of this Section 5.19 and the terms of the Trust Agreement, the terms of the Trust Agreement shall govern.

5.19.2. Execution of Trust Agreement. On the Effective Date, the Trust Agreement shall be executed, and all other necessary steps shall be taken to establish the Creditor Trust and the beneficial interests therein, which shall be for the benefit of the Creditor Trust Beneficiaries.

5.19.3. Purpose of the Creditor Trust. The Creditor Trust shall be established for the sole purpose of receiving the Creditor Trust Assets and distributing the same to the Creditor Trust Beneficiaries, in accordance with U.S. Treasury Regulation section 301.7701-4(d), with no objective to continue or to engage in the conduct of a trade or business. The Creditor Trust, through the Trustee, shall (i) collect the Net Sale Proceeds, (ii) prosecute, settle and otherwise administer the Recovery Claims, (iii) make Distributions to the beneficiaries of the Creditor Trust in accordance with the Plan and

Trust Agreement and (iv) take all such actions as are reasonably necessary to accomplish the purpose hereof, as more fully provided in the Trust Agreement.

5.19.4. Creditor Trust Assets. The Creditor Trust shall consist of the Creditor Trust Assets plus any Cash or other property received from third parties from the prosecution, settlement, or compromise of any Recovery Claims. The Recovery Claims shall include any claims for the payment of \$607,274.24 to FNBV from the closing on the First Sale to cover the Hospital's overdraft. On the Effective Date, the Creditor Trust Assets shall automatically vest in the Creditor Trust, free and clear of all Liens, Claims and encumbrances, except to the extent otherwise provided herein. To avoid any ambiguity, the Recovery Claims shall remain property of the Hospital, but all of the proceeds therefrom shall be part of the Creditor Trust Assets.

5.19.5. The Trustee. Unless otherwise provided in the Confirmation Order, Chris H. Conine, CPA by and through his professional corporation Chris H. Conine, P.C. shall serve as Trustee of the Creditor Trust subject only to Court approval at the Confirmation Hearing. With respect to the Creditor Trust Assets, the Trustee shall be a representative of the Hospital pursuant to § 1123(a)(5)(B) and § 1123(b)(3)(B). The Trustee may prosecute, settle and otherwise administer the Recovery Claims on behalf of the Hospital for the benefit of the Creditor Trust, without the need for Bankruptcy Court approval or any other notice or approval, except as set forth in the Trust Agreement, and shall also be responsible for objecting to Claims filed against the Hospital that purport to qualify as General Unsecured Claims under the terms of the Plan, including, without limitation, pursuant to section § 502(d); provided however, that notwithstanding any § 502(d) objection, the Trustee shall not bring any Claim against a

Released Party for a Recovery Claim. The Trustee shall be exempt from giving any bond or other security in any jurisdiction. The Trustee will collaborate with the Hospital regarding the collection of the accounts receivable under §4.1, the preservation of medical records under §§6.16 & 6.17, the final Medicare report and other wind up obligations of the Hospital. To the extent Hospital has insufficient funds to accomplish any of the enumerated tasks, the Trustee may pay the same from the funds held by the Trust.

5.19.6. Nontransferability of Creditor Trust Interests. The beneficial interests in the Creditor Trust shall not be transferable (except as otherwise provided in the Trust Agreement).

5.19.7. Distribution of Creditor Trust Assets. The Trustee shall distribute Cash to the Creditor Trust Beneficiaries in accordance with the Trust Agreement, beginning on the Effective Date or as soon thereafter as is practicable, from the liquidated Creditor Trust Assets on hand on a Pro Rata basis. The Trustee shall not distribute any amounts that would be distributable to a Holder of a Disputed Claim if such Disputed Claim had been Allowed. The Trustee shall be allowed to distribute amounts that (i) are reasonably necessary to meet contingent liabilities and to maintain the value of the Creditor Trust Assets, (ii) are necessary to pay reasonable expenses (including, but not limited to, any taxes imposed on the Creditor Trust or in respect of the Creditor Trust Assets), (iii) are required to satisfy other liabilities incurred by the Creditor Trust in accordance with this Plan or the Trust Agreement, and (iv) funds sufficient to facilitate the Hospital's obligations under §6.16 and 6.17 of this Plan.

5.19.8. The order of priority for Distributions under the Trust Agreement shall

be: (1) Allowed Professional Claims, (2) Allowed 503(b) Claims, (3) Allowed Administrative Claims, and (4) Allowed Class 7 Claims. Claims of less priority shall not receive any Distribution until Claims of higher priority are paid in full.

5.19.9. Indemnification of Trustee. The Trustee or the individuals comprising the Trustee, as the case may be, and the Trustee's agents and professionals, shall not be liable for actions taken or omitted in its or their capacity as, or on behalf of, the Trustee, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its or their capacity as, or on behalf of, the Trustee, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts. Any indemnification claim of the Trustee shall be satisfied exclusively from the Creditor Trust Assets. The Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

6. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1. Assumption and Assignment of Assigned Contracts.

6.1.1. Assumption and Assignment of Assigned Contracts.

(1) Confirmation of the Plan and occurrence of the Assumption Event shall constitute the assumption of the Assigned Contracts pursuant to § 365(b), and an assignment of the Assigned Contracts to the Buyer pursuant to § 365(f). Except as otherwise specified on **Exhibit "D,"** the Hospital does not believe there are any monetary defaults that must be cured or other amounts that must be paid to compensate the non-Hospital parties to the Assigned Contracts in respect of

any default as a prerequisite to assumption, as provided in § 365(b)(1), or any other Claims of any kind associated with the assumption and assignment to the Buyer of the Assigned Contracts by the Hospital, i.e., Cure Payments.

(2) To the extent modifications have been negotiated between the Hospital and the other party or parties to any of the Assigned Contracts, the re-negotiated terms are set forth in **Exhibit “D”**.

THE PARTIES LISTED ON EXHIBIT “D” MUST FILE AN OBJECTION ASSERTING ENTITLEMENT TO A CURE PAYMENT IN EXCESS OF THE AMOUNT SHOWN ON EXHIBIT “D” OR OTHERWISE ASSERTING ANY OBJECTION TO THE ASSUMPTION OF THE EXECUTORY CONTRACT OR UNEXPIRED LEASE TO WHICH IT IS A PARTY, IF AT ALL, AT LEAST SEVEN (7) DAYS PRIOR TO THE COMMENCEMENT OF THE CONFIRMATION HEARING. FAILURE TO FILE SUCH AN OBJECTION SHALL CONCLUSIVELY DETERMINE THAT THERE ARE NO CURE PAYMENTS ASSOCIATED WITH THE ASSUMPTIONS AND ASSIGNMENTS OF THE ASSIGNED CONTRACTS.

6.2. Objections to Assumption/Cure Payment Amounts.

Any counterparty to an Assigned Contract to be assumed by the Hospital and assigned to the Buyer under the Plan and that objects to such assumption or assignment (including the proposed Cure Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection at least seven (7) days prior to the Confirmation Hearing. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption and assignment (including the proposed Cure Payment) of its contract or

lease. In the absence of a timely Filed objection by a non-Hospital party to an Assigned Contract, the Confirmation Order shall constitute a conclusive determination regarding the amount of any Cure Payment due under the applicable Assigned Contract, as well as a conclusive finding that the Hospital has demonstrated adequate assurance of future performance by the Buyer with respect to each Assigned Contract, to the extent required. In the event the Court determines that any Cure Payment is due to the non-Hospital party to an Assigned Contract to be assumed and assigned pursuant to the Plan, such Cure Payment shall be made no later than thirty (30) days after occurrence of the Assumption Event.

The Buyer shall have the absolute right in its sole discretion to amend the list of Assigned Contracts (**Exhibit "D"**) to delete any executory contract or unexpired lease from such list for any reason whatsoever (including without limitation upon a determination that the Cure Payment for such contract or lease exceeds the amount reflected on **Exhibit D** related thereto), and each such deletion shall be without liability of the Buyer to the Hospital or to the non-Hospital party to any such deleted executory contract or unexpired lease. The Buyer shall give written notice of its election to delete any executory contract or unexpired lease from the list of Assigned Contracts at or prior to Closing the Second and Third Sales. The Hospital shall File a list of each such deleted executory contract or unexpired lease and serve a copy of such Filed list to each non-Hospital party to each such deleted executory contract or unexpired lease within twenty one (21) days after the Closing of the Second and Third Sale, whereupon each such deleted executory contract or unexpired lease shall be deemed rejected the same as if a Rejection Order had been entered on the date of service of such Filed list.

6.3. Resolution of Claims Relating to Assigned Contracts .

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to each Assigned Contract, shall be deemed to satisfy, in full, any Pre-Petition or Post-Petition arrearage or other Claim (including any Claim asserted in a Filed Proof of Claim or listed on the List of Creditors) with respect to each such Assigned Contract (irrespective of whether the Cure Payment is less than the amount set forth in such Proof of Claim or on the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any person.

6.4. Rejection of Executory Contracts and Unexpired Leases.

6.4.1. Rejected Agreements.

On the Effective Date, all executory contracts and unexpired leases that the Hospital entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the Hospital, (ii) are not set forth on the list of Assigned Contracts set forth in **Exhibit “D”** (as it may be amended at or prior to Closing of the Second and Third Sales), or (iii) assumed pursuant to § 5.17 of this Plan shall be deemed rejected pursuant to § 365(a). The Confirmation Order will constitute a Rejection Order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be deemed rejected under the Plan and for all purposes.

To avoid any ambiguity, the Buyer is specifically NOT assuming any contracts associated with Medicare, the Centers for Medicare & Medicaid Services, previously

known as the Health Care Financing Administration, or any related entities, including but not limited to any of the provider numbers associated with the Hospital.

6.4.2. Rejection Bar Date.

Any Rejection Damage Claim or other claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the Hospital by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the Hospital and its property, and persons holding such Claims will not receive, and will be barred from receiving, any Distributions on account of such untimely Claims.

6.5. Objections to Claims - Right to Object to Claims.

The following provisions shall govern Objections to Claims as to Claims filed by Holders of Claims in Class 7 or any unclassified Claims. The Creditor Trustee shall have the right to object to the allowance of any and all Claims filed by Holders of Claims in Class 7 or any unclassified Claims deemed by the Creditor Trustee to be improper, inaccurate or otherwise not qualified to be fully Allowed on the basis that liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). The Creditor Trustee shall have the power, without notice to or approval of the Bankruptcy Court, and in the exercise of its best business judgment, to preserve, abandon, settle, compromise or litigate any Claim Filed or otherwise asserted herein. Except as otherwise provided herein, the right of the Creditor Trustee to object to, oppose and defend against any Claims is fully preserved. After the Effective Date, the Creditor Trustee shall have the sole right and authority to control and

effectuate the Claims reconciliation process for Claims in Class 7 or any unclassified Claims including to File, settle, compromise, withdraw, or litigate to judgment objections to such Claims.

As to Claims filed by Holders of Claims in Classes 1, 2, 3, 4, 5, or 6 the following provisions shall govern Objections to Claims. The Hospital shall have the right to object to the allowance of any and all Claims filed by Holders of Claims in Classes 1, 2, 3, 4, 5, or 6 deemed by the Hospital to be improper, inaccurate or otherwise not qualified to be fully Allowed on the basis that liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). The Hospital shall have the power, without notice to or approval of the Bankruptcy Court, and in the exercise of its best business judgment, to preserve, abandon, settle, compromise or litigate any Claim Filed or otherwise asserted herein. Except as otherwise provided herein, the right of the Hospital to object to, oppose and defend against any Claims is fully preserved. After the Effective Date, the Hospital shall have the sole right and authority to control and effectuate the Claims reconciliation process for Claims in Classes or any unclassified Claims, including to File, settle, compromise, withdraw, or litigate to judgment objections to such Claims.

6.6. No Recourse to the Board of Trustees or the Board of County Commissioners.

Notwithstanding that the amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code or becomes an Allowed Claim in an amount of which there is insufficient Cash in the relevant account to provide a recovery equal to

that received by other Holders of Allowed Claims in the relevant Class, *no Holder of an Allowed Claim shall have recourse to the Board of Trustees, either individually or in their official capacities or the Board of County Commissioners either individually or in their official capacities, or any of their respective professionals, or their successors or assigns, or the Holder of any other Claim, or any of their respective property.* Nothing in the Plan, however, shall modify any right of a Holder of an Allowed Claim under § 502(j) of the Bankruptcy Code.

6.7. Treatment of Disputed Claims.

On the Effective Date, the Creditor Trustee or the Hospital as appropriate, shall establish a Disputed Claims Reserve that is adequate and sufficient for the payment of Distributions contemplated by the Plan to the Holders of Disputed Claims. At such time as a Disputed Claim becomes an Allowed Claim, the previous Distributions due on account as such Allowed Claims shall be released from the Disputed Claims Reserve and placed in the appropriate fund for Distribution to the Holder of such Allowed Claim. Any funds that have been reserved on account of a Disputed Claim that becomes an Allowed Claim which funds exceed the amount due to the Holder of such Allowed Claim shall be returned to the appropriate fund.

6.8. Treatment of Unclaimed Property.

If a Distribution to a Holder of an Allowed Claim becomes Unclaimed Property, the Hospital or the Creditor Trustee, as the case may be, will make a reasonable effort to reach the Holder of the Allowed Claim after which the Holder of the Allowed Claim shall cease to be entitled to the Distribution or any further Distributions. In the event that any Distributions from

an interim Distribution become Unclaimed Property, all such Unclaimed Property shall be returned to the appropriate fund for Distribution to creditors, or, if such Unclaimed Property is burdensome to administer, may be paid to Creditor Trust.

6.9. De Minimis Distributions and Rounding of Distributions.

The Creditor Trustee shall not be required to make a Distribution to the Holder of an Allowed Claim if the amount of the Distribution is less than \$10.00. All Cash not so distributed shall remain in the appropriate fund. The Creditor Trustee may round all Distributions to the nearest whole dollar amount.

6.10. Delivery of Distributions; Undeliverable/Unclaimed Distributions.

The Creditor Trustee shall make Distributions to each Holder of an Allowed Claim as follows:

6.10.1. By mail at the address set forth on the Proof of Claim Filed by such Holder in respect of such Allowed Claim, unless such Holder has provided written notice of address change to the Creditor Trustee;

6.10.2. By mail at the address set forth in any written notice of address change delivered to the Creditor Trustee after the date of any related Proof of Claim; or

6.10.3. By mail at the address reflected in the List of Creditors if no Proof of Claim is filed and the Creditor Trustee has not received a written notice of a change of address.

6.11. Distribution Date.

Allowed Claims in Class 7 or any unclassified Claims that are entitled to receive Distributions of Cash under the Plan as provided in the Creditor Trust shall, respectively, be

satisfied from resulting from liquidation and collection of Trust Assets pursuant to the terms of the Creditor Trust.

Allowed Claims in Classes other than Class 7 or any unclassified Claims that are entitled to receive Distributions of Cash under the Plan shall be paid by the Closing Agent as a part of the Closing of the Second and Third Sales.

Notwithstanding any other provision of the Plan, if any Claim or any portion of a Claim is Disputed no payment or Distribution provided in the Plan shall be made on account of such Claim unless and until the Disputed Claim is resolved and becomes Allowed. The Hospital or Creditor Trustee as the case may be, may estimate an amount to which a Disputed Claim may be allowed, and may reserve from any Distribution such amounts as the Hospital or Creditor Trustee deem necessary and appropriate.

6.12. Powers of the Hospital.

After the Effective Date, the Hospital and the Creditor Trust shall administer the Plan according to its terms without bond and shall be subject to supervision and control by the Court only as specifically provided in the Plan. Except as provided in the Plan, the Hospital and the Creditor Trust need not obtain any court order or approval in the exercise of any provisions or discretion conferred under the Plan, or account to any court in the absence of a breach of trust. The Hospital shall exercise its business judgment for the benefit of the Holders of Allowed Claims in order to maximize the value of property of the Hospital, giving due regard to the cost, risk, and delay of any course of action. The Hospital's powers (except as otherwise expressly limited in the Plan) shall include, without limitation, the following:

1. to accept the remaining property of the Hospital;

2. to retain the remaining property of the Hospital or to the extent it is determined to be in the best interest of the Hospital, to pursue the sale of some, part or all the remaining property of the Hospital;
3. to make or cause to be made Distribution in accordance with the terms of the Plan;
4. to liquidate and distribute the remaining property of the Hospital or any portion of or interest in the remaining property of the Hospital, and to dispose of the remaining property of the Hospital for Cash or on such Terms and for such consideration as are reasonable and appropriate;
5. to enforce the payment of notes or other obligations of any person or to make contracts with respect thereto;
6. subject to the requirements of the Plan, to appoint, engage, employ, supervise, and compensate officers, employees, and other persons as may be necessary or desirable, including accountants, technical, financial, attorneys or depositories;
7. to undertake any action or perform any obligation provided for or required under the Plan;
8. to perfect and secure its rights, title and interest to the remaining properties of the Hospital;
9. to reduce all remaining property of the Hospital to its possession and hold the same;
10. to pay and discharge any costs, expenses or obligations deemed necessary to preserve the remaining property of the Hospital or any part thereof;
11. to perform the duties required by this Plan, including without limitation taking all necessary and appropriate actions to effect the Closings of the respective Sales pursuant to the respective Purchase Agreements and after each of the Closings to provide such further instruments, documents or assistance as may reasonably be requested by Buyer or any title insurer or the Closing Agent to give full effect to this Plan and each of the Purchase Agreements;
12. to draw checks and make disbursements;
13. to employ and have such attorneys, accountants, appraisers and any other professionals as are reasonably necessary in carrying out and administering the terms of this Plan and to compensate same; and
14. to establish a reserve for the payment of future expenses.

6.13. Compensation.

The employees, officers and Board of the Hospital shall be entitled to receive reasonable compensation for his, her, or its services consummate with the amounts that were paid on the Petition Date subject to reasonable increases as the Board may approve. To avoid any doubt, the Creditor Trust shall not be responsible for any objections in this provision.

6.14. Effective Date of Hospital Obligations; Termination of Duties.

The duties and responsibilities of the Hospital under this Plan shall become effective upon the Effective Date. Thereupon, these provisions shall remain and continue in full force and effect until all Distributions, expenses and obligations incurred and required by this Plan (including the Closings of the respective Sales pursuant to the respective Purchase Agreements) have been fully paid or performed pursuant to the provisions of the Plan. Notwithstanding the foregoing, the obligation of the Hospital under section 6.12 (11) shall survive the Closing of each respective Sale.

At such time as the administration of the Chapter 9 case has been completed, the Hospital in cooperation with the Creditor Trust shall File with the Court a final report, seeking an order closing this case pursuant to § 945(b). The entry of a final decree closing the Case shall not be precluded by (i) any continuing obligation under the Plan to make payments on Allowed Claims or to the Creditors; (ii) pendency of an adversary proceeding that has not been finally resolved; or (iii) the fact that the Claim of any particular Creditor not been Allowed or Disallowed.

6.15. Access to Information.

The Hospital shall provide access to the business records of the Hospital to the Creditor Trustee and shall fully cooperate in any matters related to the administration of the Creditor Trust.

6.16. Records.

The Hospital shall maintain records and account books relating to the property of the Hospital, the management of the property of the Hospital, and all transactions undertaken by the Hospital, which records and books of account shall be maintained in accordance with GAAP and current accounting practices and methods. The Hospital shall also maintain records and account books relating to Distributions by the Hospital or the Closing Agent contemplated under the Plan.

The Creditor Trustee shall maintain records and account books relating to the administration of the Creditor Trust including all Distributions contemplated under the Creditor Trust.

The Hospital shall also maintain appropriate records relating to the Closings of the Asset Sales as contemplated by the Purchase Agreements and this Plan.

Post-closing this case pursuant to § 945(b), the Buyer shall make historic business and accounting data reasonably available to the Hospital and the Creditor Trustee as necessary to administer this Plan and the Creditor Trust.

Buyer is not acquiring the Hospital's Medical Records. At Hospital's cost, Hospital will maintain such medical records, subject to Bankruptcy Court Approval, for at least a one (1) year

period following the Closing Date or for such longer period that Hospital shall elect or that shall be required by the Bankruptcy Court. Subject to applicable federal and state laws, Hospital will provide Buyer with access to such medical records for purposes of Buyer's payment, treatment and health care operations. Hospital and Buyer will agree prior to the Closing Date to the process for Buyer obtaining such access and will execute any agreements necessary to implement that process. Such agreements will also address the terms of any arrangements between Hospital and Buyer with respect to Buyer hosting Hospital's medical and other business records software on Buyer's computer hardware system, including but not limited to any HIPAA business associate agreement required to implement such arrangements.

6.17. Medical Records of the Hospital:

Through Bankruptcy Code § 351 Congress provided for shortened storage requirements for patient records. The Debtor, will take the following steps pursuant to Bankruptcy Code § 351 with respect to the Patient Records:

1. Publication Notice: On the Effective Date, or as soon thereafter as reasonably possible, the Debtor shall publish one time per week for two consecutive weeks the Publication Notice in the *Vinita Daily Journal* and the *Tulsa World*. Proof of publication shall be filed with the Court.

2. Mailing of Notice to Patients. During the first one hundred-eighty (180) days after the publication of the Publication Notice as set forth above the Debtor shall mail the Patient Records Mail Notice to all of the parties on the Patient Records Mailing List.

3. Patient Records Service Provider. The Debtor is authorized to engage the Patient Records Service Provider on customary terms to maintain and store the Patient Records and to

respond to requests for such records during the Patient Records Maintenance Period, which services by the Patient Records Service Provider shall comply with the requirements imposed by Bankruptcy Code § 351.

4. Notice to HHS. After the Publication Notice has been published and the Patient Records Mail Notice has been mailed as provided above the Debtor shall mail by certified mail, at the end of the Patient Records Maintenance Period the HHS Patient Records Request requesting permission to deposit with HHS any remaining Patient Records that have not been claimed by an authorized party during the Patient Records Maintenance Period. HHS shall have thirty (30) days to grant or deny the HHS Patient Records Request, and if no written response is received by the Debtor either granting or denying the HHS Patient Records Request, the HHS Patient Records Request shall be deemed denied on the thirty-third (33rd) day following the date the Liquidation Trustee mails the HHS Patient Records Request.

5. Destruction of Patient Records. After the Patient Records Maintenance Period has concluded, if the HHS Patient Records Request has been denied, any remaining Patient Records that have not been claimed by an authorized party shall be caused to be destroyed by the Liquidation Trustee as provided in Bankruptcy Code § 351(3). Promptly after the remaining Patient Records have been destroyed in accordance with Bankruptcy Code § 351(3), the Liquidation Trustee shall file a notice with the Bankruptcy Court consistent with Bankruptcy Rule 6011 certifying that the remaining Patient Records have been destroyed.

7. CONFIRMATION OF THE PLAN

7.1. Requirements for Confirmation.

7.1.1. Section 943(b) of the Bankruptcy Code sets forth the requirements for confirmation of a Chapter 9 Plan:

- (1) The court shall confirm the plan if –
 - (a) the Plan complies with the provisions of this title made applicable by § 103(e) and § 901;
 - (b) the Plan complies with the provisions of Chapter 9;
 - (c) all amounts to be paid by the debtor or by any person for services or expenses in the case or incident to the Plan have been fully disclosed and are reasonable;
 - (d) the debtor is not prohibited by law from taking any action necessary to carry out the Plan;
 - (e) except to the extent that the holder of a particular claim has agreed or has been deemed to agree to a different treatment of such claim, the Plan provides that on the Effective Date of the Plan each holder of a claim of a kind specified in § 507(a)(2) will receive on account of such claim cash equal to the Allowed amount of such Claim;
 - (f) any regulatory or electoral approval necessary under applicable nonbankruptcy law in order to carry out any provision of the Plan has been obtained, or such provision is expressly conditioned on such approval; and
 - (g) the Plan is in the best interests of creditors and is feasible.

7.2. Cramdown – Confirmation Without Acceptance by All Impaired Classes.

With respect to any Impaired Class of Claims that fails to accept the Plan pursuant to § 1126, the Hospital requests that the Bankruptcy Court confirm the Plan pursuant to § 1129(b). The Plan shall constitute a motion for such relief.

7.3. Conditions Precedent to the Effective Date.

Except as expressly waived in writing by the Hospital upon written notice Filed with the Bankruptcy Court, the following conditions must occur and be satisfied on or before the Effective Date for the Plan to be effective:

7.3.1. The Confirmation Order approving all of the terms and provisions of the Plan, in form and substance satisfactory to the Hospital shall have been signed by the Bankruptcy Court and duly entered on the docket for the Case by the clerk of the Bankruptcy Court;

7.3.2. The Bankruptcy Court shall have entered an order (which may be included in the Confirmation Order) approving and authorizing the Hospital to take all actions necessary or appropriate to implement the Plan, including the Transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, settlements, releases and other agreements or documents entered into or delivered in connection with the Plan (including the Purchase Agreements);

7.3.3. There shall not have been any stay in effect with respect to the Confirmation Order;

7.3.4. All actions and all contracts and other agreements or documents necessary to implement the terms and provisions of the Plan are effected or executed

and delivered, as applicable, in form and substance satisfactory to the Hospital, including but not limited to the Creditor Trust having been duly executed by all parties thereto and all Trust Assets to be administered by the Creditor Trust having been duly transferred and conveyed by the Hospital to Creditor Trust; and

7.3.5. All authorizations, consents and regulatory approvals, if any, required in connection with the consummation of the Plan have been obtained and not revoked.

7.3.6. All of the terms and conditions of the Purchase Agreements must have been complied with or waived by the Buyer and the Closing of the Second and Third Sales must have occurred.

7.3.7. Unless otherwise provided therein, entry of the Confirmation Order shall constitute a waiver of the stay otherwise provided in Rule 6006(d) of the Bankruptcy Rules.

7.4. Waiver of Conditions to the Effective Date.

The conditions to the Effective Date may be waived in whole or part at any time by the Hospital in its sole and absolute discretion, subject to agreement of the Buyer.

7.5. Plan Binding.

Except as provided in this Plan or in the Confirmation Order, on the Effective Date, the Plan shall be binding on all Holders of Claims existing as of the Effective Date of the Plan whether or not such Holder has Filed a Claim in the Chapter 9 Case, whether or not such Claim is an Allowed Claim, and whether or not such Holder has voted to accept the Plan. No Holder of a Claim will have any rights of action on account of such Claim except as set forth in the Plan.

7.6. Full, Final, and Complete Settlement and Satisfaction.

The Distributions and other treatment provided under the Plan for each Holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such Holder's Claims against the Hospital, the Buyer and the Hospital Facilities.

7.7. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the Hospital or the Creditor Trustee, as the case may be, either such entity may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Recovery Claim of any nature whatsoever that the Hospital or the Creditor Trustee, as the case may be, may have against the Claimant. For purposes of exercising any rights of setoff or recoupment but for no other purpose, the Hospital or the Creditor Trust shall be considered one entity. If the Hospital or the Creditor Trustee, as the case may be, elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the setoff or recoupment of the Hospital or the Creditor Trustee, as the case may be; provided, however, that the Claimant will be provided with written notice of the proposed setoff or recoupment at least fourteen (14) Business Days prior thereto, and, if the Claimant Files a written objection to such proposed setoff or recoupment, the Hospital or the Creditor Trustee, as the case may be, shall not proceed with the setoff or recoupment absent the withdrawal of the Claimant's objection or the entry of an order overruling the objections, but the Hospital or the Creditor Trustee, as the case may be, may in all events withhold any Distributions on account of such Claim pending resolution of the Claimant's objection; provided further, however, that neither the failure to set off against or recoup from any Claim nor the

allowance of any Claim shall constitute a waiver or release by the Hospital or the Creditor Trustee, as the case may be, of any Recovery Claim the Creditor Trust may have against the subject Claimant. Notwithstanding any provision of the Plan or otherwise, in the event a counter-claim is asserted by the subject of any Recovery Claim prosecuted by the Creditor Trustee, the Hospital shall not under any circumstances be liable for any affirmative recovery pursuant to such counter-claim nor shall the Hospital ever be required to pay such counter-claim.

7.8. Notice of the Effective Date.

Promptly after the occurrence of the Effective Date, the Hospital shall mail or cause to be mailed to all creditors, a notice that informs such creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and assignment and or the rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for Filing of Rejection Damage Claims; (iv) the deadline established under the Plan for the Filing of motions for the allowance of Administrative Claims; and (v) such other matters as the Hospital finds appropriate.

8. OTHER PLAN PROVISIONS

8.1. Modification of Plan.

The Hospital, as Plan proponent, may modify the Plan prior to Confirmation of the Plan, as modified, subject to the restrictions set forth in § 942. Such modification shall be deemed accepted or rejected by a Holder of a Claim that has previously accepted or rejected the Plan unless, within the time fixed by the Bankruptcy Court, such Holder changes such Holder's previous acceptance or rejection. In the event that the Plan requires modification after Confirmation, the Hospital will be deemed to be the Plan proponent. After the Confirmation

Date, the Hospital or the Buyer, as applicable, may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies within or among this Plan, the Disclosure Statement, and the Confirmation Order, and to accomplish such matters as may be reasonably necessary to carry out the purposes and intent hereof so long as such remedies do not materially and adversely affect the treatment of Holders of Claims hereunder or the rights of the Buyer hereunder.

8.2. Revocation of Plan.

The Hospital reserves the right to revoke or withdraw this Plan at any time prior to the Confirmation Date and to file other plans for the adjustment of debts. If the Hospital revokes or withdraws this Plan, or if Confirmation or substantial consummation hereof does not occur, then (a) this Plan shall be null and void in all respects, (b) any settlement or compromise embodied herein (including the fixing or limiting to an amount any Claim or Class of Claims), assumption or rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained herein, and no acts taken in preparation for Consummation hereof, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Hospital or any other Person, (ii) prejudice in any manner the rights of the Hospital or Holders of any Claims in any further proceedings involving the Hospital, or (iii) constitute an admission of any sort by the Hospital or any other Person. Notwithstanding the foregoing, no such revocation of this Plan by the Hospital shall affect the rights or remedies of the Buyer under the Purchase Agreements, including the right of the Buyer to seek specific performance of the Purchase Agreements.

8.3. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section, is valid and enforceable under its terms.

8.4. Inconsistencies.

To the extent of any inconsistencies between the Plan, the Disclosure Statement, any Ballot or the Creditor Trust, the terms and provisions contained in the Plan shall govern except as provided in Section 6.14 as to the Creditor Trust.

8.5. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided for in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contract, instruments, and documents executed in connection with the Plan shall be governed by, and construed and

enforced in accordance with, the laws of the State of Oklahoma without giving effect to the principles of conflict of laws thereof.

8.6. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby (including the Transactions) have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the Hospital and the Buyer have acted in good faith in connection therewith.

8.7. Effectuating Documents and Further Transactions. Each of the officers and employees of the Hospital is authorized to execute, deliver, File, or record such contracts, deeds, assignments, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

8.8. Conflict The terms of this Plan shall govern in the event of any inconsistency with the summaries of the Plan set forth in the Disclosure Statement.

8.9. Entire Agreement Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan including the attached Purchase Agreements and Creditor Trust.

8.10. Notices. Any notices to or requests of the Hospital by parties in interest under or in connection with the Plan, including but not limited to the Buyer and/or its successors and assigns, shall be in writing and served by: (a) CM/ECF Noticing; (b) certified mail, return receipt requested, postage prepaid; (c) hand delivery; or (d) reputable overnight delivery service, all charges prepaid and shall be deemed to have been given when actually received the following parties:

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Michael R. Pacewicz
Crowe & Dunlevy
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Fax: 918.592.9801
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Bankruptcy Counsel for the Craig County Hospital

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Counsel for the Buyer

9. EFFECT OF CONFIRMATION OF THE PLAN

9.1. Binding Effect.

Upon the Effective Date, and pursuant to § 944(a), the Plan, the Distributions and transactions contemplated by the Plan and the compromises and settlements contained in the Plan shall be binding upon the Hospital, all creditors, all parties in interest, and all other Persons and Entities. Confirmation of the Plan binds each Holder of a Claim to all the terms and conditions of the Plan, whether or not such Holder's Claim is Allowed, whether or not such Holder is in a Class that is Impaired under the Plan, and whether or not such Holder has accepted the Plan. The Hospital reserves all rights to seek appropriate relief against any Person or Person under § 1142(b) to the extent necessary for the consummation of the Plan.

9.2. Settlement, Release, Injunction And Related ProvisionsExculpation and

Limitation of Liability. The Released Parties shall neither have nor incur any liability to any Holder of a Claim or any other party-in-interest, or any of their respective agents, employees, partners, members, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the negotiation, solicitation, and/or distribution of the Plan and Disclosure Statement, the administration of the Chapter 9 Case, the solicitation of acceptances hereof, the pursuit of Confirmation hereof, the Consummation hereof, or the administration hereof or the property to be distributed hereunder (including Closing of the Asset Sales) except for any act or omission that constitutes willful misconduct or gross negligence as determined by Final Order by a court of competent jurisdiction, and in all respects they shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any applicable law or rules protecting such Released Parties from liability. **Injunction. ALL INJUNCTIONS OR STAYS PROVIDED FOR IN THE CHAPTER 9 CASE PURSUANT TO §§ 105 AND 362 OR OTHERWISE AND IN EFFECT ON THE CONFIRMATION DATE, SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE EFFECTIVE DATE. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL PERSONS OR ENTITIES THAT HAVE HELD, HOLD OR MAY HOLD CLAIMS OR CAUSES OF ACTION AGAINST THE DEBTOR THAT AROSE BEFORE OR WERE HELD AS OF THE EFFECTIVE DATE, ARE AS OF THE EFFECTIVE DATE**

PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE HOSPITAL, THE BUYER RELEASED PARTIES OR ANY OF THEIR RESPECTIVE ASSETS (INCLUDING WITHOUT LIMITATION THE HOSPITAL FACILITIES AND THE ASSIGNED CONTRACTS ACQUIRED UNDER THE PURCHASE AGREEMENTS), THE CREDITOR TRUST OR ITS PROPERTY OR ASSETS ON ACCOUNT OF SUCH CLAIMS OR CAUSES OF ACTION: (A) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING RELATING TO SUCH CLAIM OR CAUSE OF ACTION; (B) ENFORCING, LEVYING, ATTACHING, COLLECTING OR OTHERWISE RECOVERING IN ANY MANNER OR BY ANY MEANS, WHETHER DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER RELATING TO SUCH CLAIM OR CAUSE OF ACTION; (C) CREATING, PERFECTING OR ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN RELATING TO SUCH CLAIM OR CAUSE OF ACTION; (D) ASSERTING ANY SETOFF, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO THE BUYER, THE HOSPITAL, OR THE CREDITOR TRUST RELATING TO SUCH CLAIM OR CAUSE OF ACTION; AND (E) PROCEEDING IN ANY MANNER IN ANY PLACE WHATSOEVER THAT DOES NOT CONFORM TO OR COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN OR THE CONFIRMATION ORDER.

9.2.3. Releases by the Hospital. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR, THE HOSPITAL AND THE CREDITOR TRUST WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY FOREVER RELEASED, WAIVED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION AND LIABILITIES WHATSOEVER (OTHER THAN THOSE ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION BY A RELEASED PARTY THAT CONSTITUTES WILLFUL MISCONDUCT, GROSS NEGLIGENCE, INTENTIONAL FRAUD OR CRIMINAL CONDUCT, IN EACH CASE DETERMINED BY FINAL ORDER OF A COURT OF COMPETENT JURISDICTION, AND OTHER THAN THE RIGHTS OF THE DEBTOR, THE HOSPITAL AND THE CREDITOR TRUST TO ENFORCE THE PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES AND OTHER AGREEMENTS OR DOCUMENTS RELATED HERETO), WHETHER DIRECT OR DERIVATIVE, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, DISPUTED OR UNDISPUTED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE THAT ARE BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE

TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE, OR IN ANY WAY RELATING TO THE CHAPTER 9 CASE, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF PROPERTY OF THE DEBTOR, THE HOSPITAL AND THE CREDITOR TRUST, THE PLAN OR THE DISCLOSURE STATEMENT, AND THAT COULD HAVE BEEN ASSERTED BY OR ON BEHALF OF THE DEBTOR, THE HOSPITAL AND THE CREDITOR TRUST AGAINST ANY OF THE RELEASED PARTIES. THE HOSPITAL'S RELEASE OF CURRENT TRUSTEES AND OFFICERS THAT ARE PROTECTED PERSONS INCLUDES THE RELEASE OF ANY LIABILITY FOR BREACH OF FIDUCIARY DUTY OR RELATED CLAIMS.

9.2.4. Releases by Holders of Claims. AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN AND IN PARTICULAR AS TO THE OPERS CLAIM, EACH HOLDER OF A CLAIM THAT FILES A PROOF OF CLAIM, VOTES IN FAVOR OF THE PLAN (OR IS DEEMED TO ACCEPT THE PLAN), OR ACCEPTS ANY DISTRIBUTION UNDER THIS PLAN AS APPLICABLE, FOR THEMSELVES AND ON BEHALF OF ANY SUCCESSORS AND ASSIGNS, WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY, FOREVER RELEASED, WAIVED AND DISCHARGED THE HOSPITAL AND THE RELEASED PARTIES, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, CAUSES OF

ACTION AND LIABILITIES WHATSOEVER, (EXCEPT FOR THE RIGHTS TO ENFORCE THIS PLAN AND THE OTHER AGREEMENTS AND DOCUMENTS DELIVERED HEREUNDER) WHETHER DIRECT OR DERIVATIVE, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, DISPUTED OR UNDISPUTED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE THAT ARE BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE, AND IN ANY WAY RELATING TO THE CHAPTER 9 CASE, THE SALE OF THE HOSPITAL FACILITIES TO THE BUYER, THE PLAN OR THE DISCLOSURE STATEMENT, EXCEPT THAT, AS TO SPECIFICALLY THE RELEASED PARTIES, NOTHING HEREIN RELEASES INTENTIONAL FRAUD, OR CRIMINAL CONDUCT, IN EACH CASE AS DETERMINED BY FINAL ORDER OF A COURT OF COMPETENT JURISDICTION.

9.2.5. **Injunction Related to Releases and Exculpation.** The Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively, or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities barred or released in Sections 9.2.2 through 9.2.6 of this Plan.

9.2.6. **Insurance.** Confirmation of the Plan shall have no effect on insurance policies of Hospital in which the Hospital is or was an insured party.

The Creditor Trust, as the Hospital's assignee, shall become the insured party owner or beneficiary under such policies, unless such policy is otherwise assigned. THE CONFIRMATION ORDER SHALL CONSTITUTE AN INJUNCTION PREVENTING AN INSURANCE COMPANY FROM DENYING, ALTERING, OR DELAYING COVERAGE ON ANY BASIS REGARDING OR RELATED TO THE CHAPTER 9 CASE; THE PLAN, OR ANY PROVISIONS CONTAINED THEREIN. Pursuant to this Plan, the Hospital has assigned all its' right, title and interest in any of the insurance policies to the Creditor Trust.

9.2.7. **Release of Liens.** Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in accordance with the Plan of the portion of the Secured Claim that is an Allowed Secured Claim as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Hospital shall be fully released and discharged and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Hospital and its successors and assigns.

9.3. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

9.3.1. Except as otherwise allowed pursuant to the Plan or in the Confirmation Order, allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;

9.3.2. Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the Hospital or the Creditor Trust is a party or with respect to which the Hospital may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

9.3.3. Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the Hospital or the Creditor Trust that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;

9.3.4. Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;

9.3.5. Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan (including the Purchase Agreements).

9.3.6. Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's or Entities rights, obligations, or interests under the Plan or the Confirmation Order;

9.3.7. Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement, the Creditor Trust or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

9.3.8. Adjudicate any Recovery Claims whether or not specifically identified heretofore, known or unknown, or that may arise or exist by reason of additional facts or circumstances not yet known by the Hospital or the Creditor Trust or that may change from those now believed to exist. The doctrine of preclusion, waiver, estoppel, laches or similar defense shall not apply to any cause of action preserved hereby based on the Plan, the Disclosure Statement, or the Confirmation Order, unless such cause of action was expressly released pursuant to the Plan or prior order of the Court;

9.3.9. Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person or Person with consummation or enforcement of the Plan or the Confirmation Order;

9.3.10. Enter and implement such orders as may necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

9.3.11. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

9.3.12. Enter an Order closing the Case pursuant to § 945(b).

9.3.13. If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this

Section 9.3 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matters.

9.4 Waiver of Stay.

The entry of the Confirmation Order shall constitute the waiver of the 14 day stay imposed by Rule 3020(e) and the same is hereby waived. The Confirmation Order shall be effective and enforceable immediately upon entry by the Court.

9.5 Recoupment

Notwithstanding any other provision of this Plan, no provision, term or language herein shall be construed to limit the ability of the United States of America to assert recoupment rights, if any, against the Hospital or the Creditor Trust.

DATED, this 28th day of October, 2016.

Respectfully submitted,

/s/Mark A. Craige

Mark A. Craige, OBA No. 1992
Michael R. Pacewicz, OBA No. 18794

-Of the Firm-

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*Attorneys for Craig County Hospital
The Chapter 9 Debtor*

Execution Version

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("**Agreement**") is made and entered into effective as of the 22nd day of September, 2016 (the "**Effective Date**"), between SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("**Purchaser**"), and CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("**Seller**"). Purchaser and Seller are sometimes referred to herein individually as a "**Party**," and collectively as the "**Parties**." Other defined terms used herein are set forth in Appendix A, attached hereto.

RECITALS

A. Purchaser seeks to improve the quality, availability, efficiency and cost-effectiveness of health care services in Craig County, Oklahoma and the surrounding region, consistent with the best interests of patients and Purchaser's vision and values.

B. Seller operates Craig General Hospital, located at 735 N. Foreman St., Vinita, Oklahoma 74301 ("**CGH**"); Grand Lake Medical Park of Langley, located at 36488 Highway 82, Vinita, Oklahoma 74301 ("**Vinita Clinic**"); Grand Lake Medical Park of Monkey Island, located at 26300 S. Highway 125, Afton, Oklahoma 74331 ("**Afton Clinic**"); and Welch Family Medicine, located at 343 South Commercial St., Welch, Oklahoma 74369 ("**Welch Clinic**" and together with the Vinita Clinic and the Afton Clinic, the "**RHCs**") and related ancillary services (collectively, the "**Business**").

C. Seller owns the real property on which the RHC's are located as well as certain other real property as more particularly described below, and Seller intends to acquire the real property on which CGH is located from Craig County which will be conveyed to Purchaser as part of the sale of the Business to Purchaser hereunder.

D. Seller filed a voluntary petition for relief under chapter 9 of the Bankruptcy Code (the "**Bankruptcy Case**") on February 16, 2015 (the "**Petition Date**") in the United States Bankruptcy Court for the Northern District of Oklahoma (the "**Bankruptcy Court**").

E. Subject to approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court, Seller desires to sell, transfer and assign, and Purchaser desires to purchase, acquire, and assume all of the Purchased Assets and Assumed Liabilities, on terms and conditions as more fully described herein.

F. The properties upon which the RHC's are located, together with certain other clinic real property owned by the Seller (the "**Separately Purchased Owned Real Property**"), will be acquired by Purchaser in a separate transaction with Seller (the "**Property Purchase**") pursuant to a Purchase and Sale Agreement executed concurrently with the execution of this Agreement, with the consummation of such Property Purchase occurring at the same time as the closing of this Agreement and as a condition to the closing of the transactions contemplated by this Agreement.

NOW, THEREFORE, the Parties agree as follows:

**ARTICLE I.
PURCHASE AND SALE OF ASSETS**

1.1 Asset Purchase. Subject to the terms and conditions hereof, as of the Effective Time, Seller shall sell, assign, convey, transfer and deliver to Purchaser, and Purchaser will purchase and accept from Seller, all of Seller's right, title and interest in and to substantially all of the assets of Seller related to the operation of the Business, other than the Excluded Assets (collectively, the "**Purchased Assets**"), free and clear of any claims, liens, security interests, restrictions or encumbrances of any kind whatsoever ("**Liens**"), other than Permitted Exceptions, including, without limitation, the following:

1.1.1 all tangible personal property used in the operation of the Business including without limitation all of the computer hardware and software, furniture, fixtures and medical, office and other equipment, machinery, office furnishings, and other tangible personal property as described on Schedule 1.1.1 attached hereto, but excluding those items specifically listed on Schedule 1.2.7 (collectively, the "**Personal Property**");

1.1.2 all inventories of supplies and other disposables and consumables useable and on hand at the Business on the Effective Time (collectively, the "**Inventory**"), together with all rights of Seller under express or implied warranties or guarantees, to the extent transferable, from the suppliers of Seller with respect to the Inventory;

1.1.3 originals or usable copies of all documents, books, records, operating manuals, forms, and files with respect to the operation of the Purchased Assets, including without limitation, business records, Permits and Registrations, warranties, employment and personnel records relating to the Transferring Seller Staff, personnel policies and manuals, supply lists and records of purchases from and correspondence with suppliers, financial records with respect to the operation of the Purchased Assets, equipment records, operating manuals, maintenance records, construction plans and specifications, medical and administrative libraries, and all other files, books and records (both electronic and paper) relating to the Purchased Assets, but excluding Seller's Retained Books and Records;

1.1.4 subject to Section 2.3, all of Seller's rights as lessee existing as of the Effective Time in those leases of real property and leasehold interests associated therewith relating to the Business as described on Schedule 1.1.4, attached hereto (the "**Assumed Real Estate Leases**"), and all existing leasehold improvements relating to the properties that are the subject of such Assumed Real Estate Leases;

1.1.5 subject to Section 2.3, all of Seller's rights existing as of the Effective Time in those equipment leases, contracts, agreements, arrangements or commitments relating to the Business or the Owned Real Property which are listed on Schedule 1.1.5, attached hereto (collectively, "**Assumed Contracts**," and together with the Assumed Real Estate Leases, the "**Assumed Agreements**");

1.1.6 to the extent assignable or transferable, Seller's rights existing as of the Effective Time in the Permits and Registrations, but specifically excluding any Permits

and Registrations relating to Seller's participation in the Medicare and Medicaid reimbursement programs;

1.1.7 all claims, rights of recovery, defenses or other actions of Seller against any third party with respect to the Purchased Assets;

1.1.8 to the extent assignable with respect to matters arising following the Effective Time, all guarantees, warranties, indemnities and similar rights in favor of Seller with respect to any of the Purchased Assets;

1.1.9 all prepaid expenses and other deposits and advance payments and the like of Seller with respect to the Purchased Assets (subject to proration in accordance with Section 3.2 hereof);

1.1.10 all intellectual property, telephone and facsimile numbers and listings, domain names, remote access portals, email addresses and other intangible assets used in the operation of the Business, including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith;

1.1.11 any and all other assets owned by Seller that are material to the operation of the Business, other than Excluded Assets;

1.1.12 the County Property as defined in Section 4.3.8; and

1.1.13 the Owned Real Property as set forth on **Schedule 5.8**.

1.2 **Excluded Assets**. The Purchased Assets shall not include the following (collectively, the "***Excluded Assets***");

1.2.1 all cash, cash equivalents, tax refunds (or rights to tax refunds relating to periods prior to the Effective Time), if any, bank accounts and investments of Seller including any and all employee benefit plan funds, restricted funds and investments relating to the Business;

1.2.2 all earned but unpaid accounts receivable of Seller as of the Effective Time, and all claims, rights, interests and proceeds related thereto, arising from the rendering of services provided by Seller prior to the Effective Time to the patients of the Business, and otherwise in connection with the Business, including, but not limited to any disproportionate share payments to which the Seller would otherwise be entitled, (collectively, the "***Accounts Receivable***");

1.2.3 income and franchise tax returns, information returns, reports, elections and work papers of Seller (it being understood that upon request, Purchaser shall have reasonable access to copies of any such documents relating to the Business subject to any applicable confidentiality obligations of Seller with respect to such documents imposed by applicable law), and any rights to income tax refunds and prepaid income taxes;

1.2.4 all contracts, agreements and leases of Seller whether or not relating to the Business, other than the Assumed Agreements;

1.2.5 any employee benefit plans or compensation arrangements, or any employment, consulting, or benefit agreements of Seller, other than Assumed Liabilities and Assumed Agreements;

1.2.6 (a) Seller's records unrelated to the operation of the Business, including any organizational documents and related minute books; (b) Seller's tax returns, if any, and any worksheets, notes, files or documents related thereto, wherever located; (c) any documents prepared by or for the benefit of Seller in connection with the transactions contemplated by this Agreement or other transactions and dealings of Seller with Purchaser; (d) any records relating to the Excluded Assets or to liabilities other than Assumed Liabilities; and (e) any materials that are privileged or are otherwise subject to third-party privacy rights, including any materials that are protected by the attorney-client privilege or attorney work product doctrine (collectively, "***Seller's Retained Books and Records***");

1.2.7 those personal possessions of Seller employees described on **Schedule 1.2.7** attached hereto;

1.2.8 any contracts, agreements and/or Permits and Registrations relating to Seller's participation in the Medicare and Medicaid reimbursement programs;

1.2.9 the house owned by Seller located at 707 W. Halsell Street, Vinita, Oklahoma; and

1.2.10 all patient medical records, patient charts, patient lists, and other patient information, whether in paper or electronic format.

ARTICLE II. ASSUMPTION OF LIABILITIES

2.1 **Assumed Liabilities.** Effective as of the Effective Time, Purchaser shall assume and agree to pay or perform when due, (a) the executory Liabilities of Seller under the Assumed Agreements, but only to the extent such Liabilities arise under the Assumed Agreements after the Effective Time, and (b) all Liabilities relating to Purchaser's ownership, possession or operation of the Purchased Assets after the Effective Time (the "***Assumed Liabilities***").

2.2 **Excluded Liabilities.** Except as provided in Section 2.1, Purchaser shall not assume, and Seller shall remain liable for, any and all Liabilities of Seller (the "***Excluded Liabilities***"), including, without limitation:

2.2.1 all Liabilities of Seller relating to the Excluded Assets;

2.2.2 all Liabilities under the Assumed Agreements to the extent such Liabilities relate to obligations arising prior to the Effective Time, including, but not limited to, all Cure Amounts;

2.2.3 all Liabilities resulting from any formal or informal, written or unwritten, agreement with respect to employee compensation, severance pay, bonus, partner distributions, pension, retirement, profit sharing, health or medical benefit, welfare plan, or any other employee benefit or fringe benefit plan or employment agreements, whether relating to services for periods prior to the Effective Time or otherwise, including without limitation any Liabilities relating to or arising from Seller's participation in or withdrawal from the Oklahoma Public Employees Retirement System ("**OPERS**");

2.2.4 the acts or omissions of Seller, or any of its agents and employees, including Seller Staff, prior to the Closing Date with respect to the Business, the Purchased Assets or any portion thereof;

2.2.5 to the extent applicable, all taxes (whether assessed or unassessed) applicable to the Business or the Purchased Assets, in each case attributable to taxable years or periods (or portions thereof) ending prior to the Effective Time, together with any interest, addition or penalty with respect thereto, and any interest with respect to such addition or penalty;

2.2.6 any employment-related liabilities relating to the Seller Staff and/or the operation of the Business prior to the Closing Date, including without limitation the accrued vacation, sick leave or paid time off (collectively, "**PTO**") of the Seller Staff;

2.2.7 all Liabilities relating to the Plans;

2.2.8 all Liabilities (actual or alleged) of Seller to persons or properties arising from the ownership, possession or operation of the Business or any of the Purchased Assets prior to the Effective Time, including without limitation any Liabilities arising in connection with litigation (professional liability or otherwise) relating to actions, omissions or events occurring prior to the Effective Time;

2.2.9 any and all Liabilities (actual, alleged, known or unknown) relating to Seller's participation in any Government Programs (including Medicare and Medicaid), including without limitation all Liabilities relating to (i) noncompliance with the requirements for qualification as a sole community hospital set forth in 42 CFR 412.92 and related Centers for Medicare and Medicaid Services ("**CMS**") program guidance, (ii) disproportionate share payments made to Seller with respect to periods prior to the Effective Date, (iii) cost report liabilities, and (iv) obligations for repayment or refund of any overpayments, including but not limited to those arising from the federal anti-kickback or Stark laws; and

2.2.10 all Liabilities relating to any noncompliance with the requirements for participation as or payment to rural health clinics set forth in CMS regulations and program guidance, including, but not limited to any billing or cost reporting requirements for rural health clinics.

2.3 Nonassignable Contracts; Cure Amounts.

2.3.1 To the extent that assignment by Seller to Purchaser of any of the Assumed Contracts is not permitted or is not permitted without the consent of any third party, such Assumed Contract shall not be deemed assigned pursuant to this Agreement if such consent is not given or if such assignment otherwise would constitute a breach of, or cause a loss of benefits under, such Assumed Contract, and Purchaser shall assume no obligations or liabilities under any such Assumed Contract until consent is obtained; provided, however, that, subject to the satisfaction or waiver of the conditions contained in Section 4.3, the Closing shall occur notwithstanding the foregoing. Seller and Purchaser shall use reasonable efforts to obtain all required consents to assignment of the Assumed Agreements by Seller to Purchaser pursuant to this Agreement. Seller shall notify Purchaser before the Closing if Seller knows or has reason to believe that any third party is not willing to consent to assignment to Purchaser of any agreement which was otherwise intended to be an Assumed Agreement. If any such consent is not obtained or deemed not required by the Bankruptcy Court, Seller and Purchaser shall use commercially reasonable efforts and shall cooperate with each other following the Effective Time to seek to obtain such consents or to obtain in writing the unconditional release of all parties to such arrangement.

2.3.2 To the extent that any Purchased Asset and/or Assumed Liability cannot be transferred to Purchaser following the Closing pursuant to this Section 2.3, Purchaser and Seller shall use commercially reasonable efforts to enter into such arrangements (such as subleasing, sublicensing or subcontracting) to provide to the Parties the economic and, to the extent permitted under applicable law, operational equivalent of the transfer of such Purchased Asset and/or Assumed Liability to Purchaser as of the Closing and the performance by the Parties of their respective obligations with respect thereto. To the extent of the obligations assumed hereunder, Purchaser shall, as agent or subcontractor for Seller pay, perform and discharge fully such Assumed Liabilities and the obligations of Purchaser thereunder from and after the Effective Time. To the extent permitted under applicable law, Seller shall make available to Purchaser the beneficial use of each of the Purchased Assets, and hold in trust for and pay to Purchaser promptly upon receipt thereof, any income, proceeds and other monies received by Seller to the extent related to such Purchased Asset, in connection with the arrangements under this Section 2.3.

2.3.3 Pursuant to § 365 of the Bankruptcy Code, Seller shall assume and assign to Purchaser the Assumed Contracts and Assumed Real Estate Leases that are set forth on **Schedules 1.1.4 and 1.1.5**. The cure amounts, if any, as determined by the Bankruptcy Court, necessary to allow assumption and assignment under § 365 of the Bankruptcy Code of the Assumed Contracts and Assumed Real Estate Leases shall be paid by Seller. The cure amounts to be paid by Seller in accordance with the foregoing provisions of this Section 2.3.3 are hereinafter sometimes referred to as the “*Cure Amounts*.”

2.4 Transfer of Title to the Purchased Assets. The purchase and sale of the Purchased Assets, and conveyance, assignment, transfer and delivery of all of the Purchased Assets, shall be effected as of the Effective Time by execution by Seller and delivery to Purchaser, on the Closing Date, of a bill of sale in substantially the form of the Assignment and Bill of Sale attached hereto as **Exhibit 2.4.1** (the “*Bill of Sale*”), by an Assignment and

Assumption Agreement substantially in the form of the Assignment and Assumption Agreement attached hereto as **Exhibit 2.4.2** (the “**Assignment Agreement**”), by a deed for the Owned Real Property substantially in the form of the deed attached hereto as **Exhibit 2.4.3** (the “**Deed**”), and other instruments of conveyance described herein or as may be reasonably requested from time to time by Purchaser. Seller shall execute a separate Deed covering the portions of the Owned Real Property in each county in which the Owned Real Property is located and Seller shall execute a Deed for the County Property.

ARTICLE III. CONSIDERATION

3.1 Purchase Price Amount and Payment.

3.1.1 The aggregate consideration to be paid by Purchaser for the Purchased Assets shall be Two Million Three Hundred Thirty-Five Thousand Sixty-Three Dollars (\$2,335,063.00) (subject to adjustments as provided herein) (the “**Purchase Price**”). For purposes of determining transfer taxes allocated to each parcel of Owned Real Property, the Purchase Price shall be allocated as set forth in **Schedule 3.1.1** attached hereto and made a part hereof for all purposes.

3.1.2 On the Closing Date, Purchaser shall pay an amount equal to the Purchase Price by electronic funds transfer of immediately available funds, in accordance with a closing statement to be mutually agreed upon by the Parties and approved by the Bankruptcy Court (the “**Closing Statement**”). In connection with the foregoing, Seller shall provide Purchaser with wire instructions at least three (3) business days before the Closing. On the Closing Date, Seller shall pay the Cure Amounts and any amounts to satisfy all secured lenders (and lessors with respect to capital leases) with liens on the Purchased Assets to ensure that Seller can convey title to the Purchased Assets free and clear of any liens, encumbrances and indebtedness.

3.2 Prorations. At the Closing, if applicable, the Parties will make best efforts to prorate the following between the Parties, as of the Effective Time: (a) rents and any other sums payable under the Assumed Real Estate Leases, (b) amounts payable under the Assumed Contracts, (c) personal property taxes and real property taxes, if any, assessed against the Purchased Assets for the tax year in which the Effective Time occurs, (d) prepaid expenses and other deposits and advance payments and the like of Seller with respect to the Purchased Assets, (e) all income and expenses attributable to the use and operation of the Owned Real Property including, but not limited to rents received from tenants; and (f) any other expense items mutually agreed upon by the Parties, such that Seller shall bear the expense of, and pay, all such sums payable for the period prior to the Effective Time, and Purchaser shall bear the expense of, and pay, all such sums payable for the period on and after the Effective Time. Within thirty (30) days following the Closing Date, the Parties shall calculate and agree upon any such prorations that were unknown or incalculable as of the Closing Date and in the event any amount is due from Seller to Purchaser or from Purchaser to Seller as a result of any such proration, the resulting amount shall be paid within ten (10) days following agreement of the Parties as to the applicable amount.

3.3 Purchase Price Allocation. If applicable, within sixty (60) days following the Closing Date, the Parties will mutually agree upon an allocation of the consideration paid, or treated as paid, for federal income tax purposes (including any assumed liabilities as determined for federal income tax purposes) for the Purchased Assets among such assets in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the “*Code*”). Purchaser and Seller agree (i) to file, and to cause their respective affiliates to file, all tax returns in a manner consistent with such allocation, including the timely preparation and filing of Form 8594 based on such allocation, (ii) not to take (and to cause their respective affiliates not to take) any position inconsistent therewith in any tax return, audit, examination, claim, adjustment, litigation or other Proceeding with respect to taxes, unless required to do so by applicable law or with prior written consent of the other Parties, and (iii) that such allocation shall be further revised by Purchaser as necessary, and in a manner consistent with such allocation, to reflect any prorations or adjustments to the Purchase Price pursuant to this Agreement. In the event any taxing authority disputes such allocation, the Party receiving notice thereof shall promptly notify and consult with the other Parties hereto concerning such dispute.

3.4 Further Assurances. Each Party shall execute, acknowledge and deliver to the other Parties any and all other assignments, consents, approvals, conveyances, assurances, documents, certificates and instruments reasonably requested by a Party at any time and shall take any and all other actions reasonably requested by a Party at any time for the purpose of more effectively assigning, transferring, granting, conveying and confirming to Purchaser, the Purchased Assets. After consummation of the transactions contemplated herein, the Parties agree to cooperate with each other in regards to all matters arising from the transition of ownership of the Purchased Assets from Seller to Purchaser.

ARTICLE IV. CLOSING

4.1 Closing Date. The Closing of the transactions contemplated by this Agreement (the “*Closing*”) shall take place by facsimile transmission or by electronic mail in pdf format of all required documents (with the original executed documents to be delivered by overnight courier) to the offices of Purchaser, 6161 South Yale Avenue, Tulsa, Oklahoma, within five (5) business days of the receipt of Bankruptcy Court Approval (as hereinafter defined) , or such other date as the Parties may mutually agree upon in writing (the “*Closing Date*”), and shall be effective as of 12:00:01 a.m., Central Time, on the day immediately following the Closing Date (the “*Effective Time*”).

4.2 Conditions Precedent to Seller’s Obligation to Close. The obligations of Seller under this Agreement, at the option of Seller, shall be subject to the satisfaction, on the Closing Date, of the following conditions (which may be waived specifically by Seller, in whole or in part, but only in writing):

4.2.1 There shall have been no material breach by Purchaser in the performance of any of Purchaser’s obligations hereunder, and each of the representations and warranties of Purchaser contained in or referenced in this Agreement shall be true and correct in all material respects on the Closing Date as though made on the Closing Date; and there

shall have been delivered to Seller a certificate to that effect, dated as of the Closing Date and executed by Purchaser.

4.2.2 Purchaser shall have delivered to Seller the documents and items set forth in Section 8.3 hereof (Purchaser's Deliverables at Closing).

4.2.3 Entry of a final Order of the Bankruptcy Court approving the transactions contemplated hereby and a Plan of Liquidation in connection with the Bankruptcy Case (the "*Plan of Liquidation*").

4.3 Conditions Precedent to Purchaser's Obligation to Close. The obligations of Purchaser under this Agreement, at the option of Purchaser, shall be subject to the satisfaction, on the Closing Date, of the following conditions (which may be waived specifically by Purchaser, in whole or in part, but only in writing):

4.3.1 There shall have been no material breach by Seller in the performance of any of Seller's obligations hereunder and each of the representations and warranties of Seller contained in or referenced in this Agreement shall be true and correct in all material respects on the Closing Date as though made on the Closing Date; and there shall have been delivered to Purchaser a certificate to that effect, dated as of the Closing Date and executed by Seller.

4.3.2 Seller shall have delivered to Purchaser all of the documents and items set forth in Section 8.1 hereof (Seller's Deliverables at Closing).

4.3.3 There shall have been no Material Adverse Change in the condition of the Purchased Assets, and there shall have been delivered to Purchaser a certificate to that effect, dated as of the Closing Date and executed by Seller.

4.3.4 No litigation or investigation which challenges directly, or concerns the legality of, the transactions contemplated by this Agreement or which affects, or may affect in any material respect, the Purchased Assets, shall have been instituted or threatened in writing, unless such litigation, threat or investigation shall have been finally resolved to the satisfaction of Purchaser, in its sole discretion.

4.3.5 Seller shall have satisfied and cleared, or shall have in place arrangements for direct wire transfer of a portion of the Purchase Price at the Closing (to be reflected on the Closing Statement) to satisfy and clear, any and all liens, pledges, charges, security interests, encumbrances or claims of any kind against the Purchased Assets except Permitted Exceptions.

4.3.6 To the extent required, Seller shall have delivered to Purchaser written consent from the third parties under the Assumed Agreements as of the Closing Date, including but not limited to, landlord consents relating to all Assumed Real Estate Leases, such that the assignment of such Assumed Agreements will not violate the terms and conditions of such Assumed Agreements.

4.3.7 Purchaser shall be satisfied, in its sole discretion, (i) with its due diligence investigation relating to Seller, the Business and the Purchased Assets, (ii) with the information contained in the Schedules to this Agreement to be provided by Seller pursuant to Article V hereof (including any updates thereof provided prior to Closing), and (iii) with Seller's compliance with the covenants contained herein to be satisfied and performed by Seller prior to the Closing.

4.3.8 Craig County, Oklahoma (the "**County**") shall have conveyed to Seller all assets owned by it and currently leased to Seller in connection with the operation by Seller of the Business, including without limitation the Hospital Tract (as defined in **Schedule 5.8**) and the Vinita Medical Office Tract (as defined in **Schedule 5.8**) and the buildings located thereon, and any related fixtures and equipment owned by the County (collectively, the "**County Property**") and, the County Property shall be included in the Purchased Assets conveyed by Seller to Purchaser at Closing. In the Deed from the County to Seller, the County and Seller shall acknowledge that the lease agreement (the "**Hospital Lease**") entered into by and between the County as lessor and the Seller as lessee dated as of June 14, 1993, has been terminated as a result of the conveyance and Seller and County shall execute a Termination of Hospital Lease in recordable form (the "**Termination of Hospital Lease**") that is acceptable to the Title Company to remove the Hospital Lease as an exception from the Title Policy .

4.3.9 Purchaser shall have obtained the concurrences of the necessary Governmental Authorities to the effect that Purchaser will not be required to comply with any additional legal requirements (other than those applicable to the Business on the Closing Date), and Purchaser shall have obtained assurances from all of the necessary Governmental Authorities, in form and substance reasonably satisfactory to Purchaser, that Purchaser will be granted all governmental approvals, permits, clearances and contracts necessary or appropriate for the operation of the Business as previously operated following the Closing, including without limitation Certificate of Need approval by the Oklahoma Department of Health.

4.3.10 Entry of a final Order of the Bankruptcy Court approving the transactions contemplated hereby and a Plan of Liquidation ("**Bankruptcy Court Approval**"), including confirmation reasonably satisfactory to Purchaser that Purchaser is fully released from any Liabilities relating to Seller and its participation in or withdrawal from OPERS.

4.3.11 Seller and Purchaser shall have consummated (i) the Property Purchase and (ii) the purchase of certain undeveloped land owned by the Seller in Craig County, State of Oklahoma, pursuant to that certain Purchase and Sale Contract executed by the Parties as of the Effective Date.

4.3.12 Seller shall have delivered recordable releases of all matters listed in Schedule B-I of the Title Commitments in form sufficient to satisfy the Title Company's requirements to remove such matters from the Title Policy.

4.3.13 Seller shall have delivered to Purchaser a true and correct copy of the Tail Coverage binder.

4.3.14 Purchaser shall have received the final Phase I reports with respect to the Owned Real Property and the County Property and the scope, findings and conclusions of such reports shall have been reasonably satisfactory to Purchaser.

4.3.15 Seller shall have filed all notices required for termination of its Medicare participation agreements, including notices required to be provided to the general public and to CMS and/or its administrative contractors.

4.4 Schedules.

4.4.1 This Agreement is being executed without all of the referenced Schedules attached. As soon as possible after the Effective Date, but in any event on or before September 30, 2016 (the “**Schedules Delivery Date**”), Seller shall deliver to Purchaser accurate and complete Schedules referenced in Article V of this Agreement (the “**Seller Schedules**”) as of the Schedules Delivery Date. Purchaser shall have the right to terminate this Agreement (i) if the Seller Schedules reveal information that is unacceptable to Purchaser, determined in the sole and absolute discretion of Purchaser, or (ii) if accurate and complete Seller Schedules, in Purchaser’s sole and absolute discretion, are not delivered to Purchaser on or prior to the Schedules Delivery Date.

4.4.2 Following the Schedules Delivery Date, Seller shall promptly update and supplement the Seller Schedules as necessary to reflect any changes to the matters set forth therein (the “**Updated Seller Schedules**”). Any changes in the Updated Seller Schedules shall be highlighted on the Updated Seller Schedules at the time such Updated Seller Schedules are delivered to Purchaser. Seller shall cause such Updated Seller Schedules to be provided to Purchaser promptly following Seller’s determination in good faith that a change has occurred requiring any such update. Purchaser shall have the right to terminate this Agreement if the Updated Seller Schedules reveal information that is unacceptable to Purchaser, determined in the sole and absolute discretion of Purchaser.

4.4.3 All Schedules and Exhibits referenced in this Agreement other than in Article V hereof (the “**Other Schedules and Exhibits**”) and not included as of the Effective Date, shall be completed by Purchaser, subject to the reasonable approval of Seller which shall not be unreasonably withheld, on or prior to the Closing Date and included as a part of this Agreement. Purchaser shall have the right to terminate this Agreement if Seller does not approve the Other Schedules and Exhibits as determined appropriate in the sole and absolute discretion of Purchaser.

**ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Purchaser as follows:

5.1 Organization and Power. Seller is an Oklahoma public trust, duly organized, validly existing and in good standing under the laws of the State of Oklahoma with power and authority to conduct its business, to lease and/or own the properties leased or owned by it, including the Purchased Assets, and to enter into and perform its obligations under this Agreement and the transactions contemplated hereunder.

5.2 Authorization. The execution and delivery of this Agreement and any other agreements or documents required hereunder (collectively, the “*Transaction Documents*”) by Seller, the performance by Seller of its obligations under this Agreement and the Transaction Documents, and the consummation of the transactions contemplated thereby, have all been duly authorized by all necessary organizational action on the part of Seller and will constitute the lawful, valid and legally binding obligations of Seller, enforceable in accordance with their respective terms.

5.3 No Violation. Neither the execution and delivery by Seller of this Agreement or the Transaction Documents to which Seller is a party, nor the consummation by Seller of the transactions contemplated hereby or thereby conflict with or result in the breach or violation of any of the terms or conditions of, or constitute (or with notice or lapse of time or both would constitute) a default under (a) the organizational documents of Seller, (b) any instrument, contract or other agreement to which Seller is a party or by which Seller is bound, (c) any provision of law, statute, rule, or regulation or other requirement of any Governmental Authority to which Seller is subject, or (d) any judgment, decree, franchise, order, license or permit applicable to Seller. No consent of any third party is required in connection with the assignment of the Assumed Agreements.

5.4 Personal Property. Seller has good title to all Personal Property to be conveyed to Purchaser hereunder, free and clear of all Liens except for those items as set forth on Schedule 5.4(a) (the “*Permitted Exceptions*”). In addition, (a) each item of Personal Property is in good operating condition and repair, subject to normal wear and tear; (b) except for the Excluded Assets, the Personal Property in the aggregate constitutes all of the tangible personal property used by Seller in, or related to the operation by Seller of, the Business; and (c) except as set forth on Schedule 5.4(b), none of the Personal Property is held under any lease, license, security agreement, conditional sales contract, or other title retention or security arrangement, or is located other than in the possession of Seller.

5.5 Indebtedness. Schedule 5.5 sets forth a complete and accurate list or description of all instruments or other documents relating to any direct or indirect indebtedness for borrowed money of Seller, as well as indebtedness by way of capital leases, lease-purchase arrangements, guarantees, undertakings on which others rely in extending credit and all conditional sales contracts, chattel mortgages and other security arrangements with respect to personal property used or owned in the operation of the Business by Seller.

5.6 Contracts. Schedule 5.6 contains a true, correct and complete list and description of all leases, subleases, licenses, or other agreements for the use or occupancy of real property (and leasehold interests associated therewith) in which the Seller is a party or otherwise has any right or interest (each a “*Lease*” and, collectively, the “*Leases*”), and all equipment leases, contracts, agreements, arrangements or commitments relating to the Business to which Seller is a party (collectively with the Leases, the “*Contracts*”). With respect to each of the Contracts which are Assumed Agreements, except as disclosed on Schedule 5.6: (a) neither Seller nor, to the Knowledge of Seller, any other party is in material default or monetary default under or in connection with any Assumed Agreement; (b) no act or event has occurred which, with notice or lapse of time or both, would constitute a default under any Assumed Agreement with respect to Seller or, to the Knowledge of Seller, any other party; (c) Seller has not given or received any notice of cancellation or termination in connection with any Assumed Agreement; (d) each Assumed Agreement is the valid, binding and enforceable agreement of Seller and, to the Knowledge of Seller, the other party thereto and is in full force and effect; and (e) no Assumed Agreement will be materially affected by, or require the consent of or payment to any other party to avoid an event of default, an event of termination or other adverse effect, with respect to such by reason of the transactions contemplated by this Agreement.

5.7 Real Property Leases. True and correct copies of all Leases, as restated, supplemented, amended or modified through the date hereof, have been made available to Purchaser. Seller has a valid, binding and enforceable leasehold interest under each of the Leases as lessee, free and clear of all encumbrances. The Seller is in occupancy of all of the real property leased, subleased, licensed or otherwise demised under the Leases (collectively, the “*Leased Real Property*”), and no person has the right to use or occupy any portion of the Leased Real Property other than Seller and any subtenants of Seller of the County Property. The present use of the Leased Real Property is in conformity with all applicable legal requirements, and Seller has not received any notice of any violation or alleged violation thereof. To the Knowledge of Seller, there are no material capital expenditures required to be made by Seller in connection with the Leased Real Property in order to comply with applicable legal requirements. The Leased Real Property together with the Owned Real Property constitute all of the real property used, occupied or operated by Seller other than the Separately Purchased Owned Real Property.

5.8 Owned Real Property and County Property. Schedule 5.8 lists all real property which is owned by Seller other than the Separately Purchased Owned Real Property (together with all (i) buildings, structures, fixtures and improvements thereon; (ii) hereditaments and appurtenances thereunto belonging; (iii) easements, rights of way and rights of ingress and egress benefiting the same which are incidental to, located on or used in connection with the operation of the above real property; and (iv) licenses, permits and utility capacity (if and to the extent that Purchaser elects to accept assignment thereof), if any, relating to the ownership or operation of such real property collectively, the “*Owned Real Property*”). Schedule 5.8 lists, as of the Effective Date, all unexpired leases or other occupancy agreements whereby Seller subleases an interest in the County Property to a third party (the “*Lessor Leases*”). Sellers have provided true, complete and correct copies of the Lessor Leases to Purchaser, including any amendments thereto. Seller has not received written notice of, and, to the Knowledge of Seller, there is no threatened (A) condemnation, eminent domain, expropriation or similar proceeding affecting the Owned Real Property or the County Property, (B) proceeding to change the zoning classification

of any portion of the Owned Real Property or the County Property, or (C) imposition of any special assessments for public betterments affecting the Owned Real Property or the County Property. The Owned Real Property and the County Property as used by Seller and, to the Knowledge of Seller, as used by any third parties, and the present uses of the Owned Real Property and the County Property by Seller and, to the Knowledge of Seller, third parties, are in compliance with, and not in default under or in violation of, any building, zoning, land use, public health, public safety, sewage, water, sanitation or other comparable legal requirement.

5.9 Litigation. Except as disclosed on **Schedule 5.9**, there is no suit, action, arbitration, Proceeding, governmental investigation, inquiry, claim or order pending or, to the Knowledge of Seller, threatened against Seller with respect to the Business, which if adversely determined would adversely affect the Business or the Purchased Assets, before any court, or before any governmental department, commission, board, agency, or instrumentality; nor, to the Knowledge of Seller, is there any reasonable basis for any such action, arbitration, Proceeding, governmental investigation, inquiry, claim or order. Except as disclosed on **Schedule 5.9**, there is no claim which has been made or, to the Knowledge of Seller, threatened nor, to the Knowledge of Seller, is there a reasonable basis for the assertion of a claim for malpractice or other professional liability against Seller or any of its physicians or other professional employees.

5.10 Compliance with Laws. Except with respect to compliance with employment matters, which is addressed under Section 5.16 below, and Environmental Laws, which is addressed under Section 5.19 below, Seller has complied in all material respects with all applicable laws, ordinances, regulations and requirements of all applicable Governmental Authorities with respect to the Business and the Purchased Assets, including, but not limited to, compliance with all regulations and laws concerning its relationship with physicians and hospitals and billing practices to any governmentally sponsored health care program and all non-governmental third-party payors with respect to services provided to any of Seller's patients (including 42 U.S.C. §1320a-7b(b) (the Medicare Anti-Kickback Statute), 42 U.S.C. §1395nn (the Stark Statute), 42 U.S.C. §1320a-7a, 42 U.S.C. §1320a-7b(a), 42 U.S.C. §1320a-7b(c), False Claims Act, and any applicable state laws governing health care self-referrals, kickbacks and matters similar to such federal statutes). To the Knowledge of Seller, there are no pending or threatened investigations, inquiries, claims or litigation asserting that Seller or any employee, officer or director of Seller have submitted claims for payment or services rendered to its patients which do not comply with applicable statutes, laws or regulations. All persons performing services for Seller who are classified and treated as independent contractors or in a similar capacity qualify as independent contractors and not as employees under applicable law.

5.11 Permits and Registrations. Seller holds all licenses, permits, registrations, approvals, certificates, certificates of need, contracts, consents, accreditations, government authorizations, certificates of inspection, filings, franchises and other authorizations required to be held by Seller to own or lease the Purchased Assets, to occupy the spaces occupied, and to conduct and operate the Business in compliance with all applicable laws and regulations (including without limitation Environmental Laws) and for participation by CGH and the RHCs in the Medicare and Medicaid reimbursement programs (collectively, "**Permits and Registrations**"). **Schedule 5.11** sets forth a complete and accurate listing of all Permits and

Registrations held by Seller (the “***Seller Permits and Registrations***”). All of the Seller Permits and Registrations are in full force and effect, and Seller is (and has been) in material compliance with the Seller Permits and Registrations. No written notice from any authority with respect to the threatened or pending revocation, termination, suspension or limitation of any of the Seller Permits and Registrations has been given to Seller, nor, to the Knowledge of Seller, is there a proposed or threatened issuance of any such notice, and the current operation of the Business does not provide a basis for revocation or suspension of any of the Permits and Registrations. Seller has taken all reasonable steps to correct all deficiencies identified in any survey reports received by Seller and a description of any uncorrected deficiency is set forth on **Schedule 5.11** attached hereto. Except as disclosed on **Schedule 5.11** hereto, all such Seller Permits and Registrations will remain in full force and effect as of the Closing Date, and may be effectively transferred or assigned to Purchaser on or after the Closing Date without adversely affecting the operation of the Business by Purchaser after the Closing.

5.12 **Exclusion from Government Programs.** None of Seller nor any employee, officer or director of Seller or, to the Knowledge of Seller, any independent contractor of Seller, has been (a) excluded from participating in any federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) (“***Government Programs***”), (b) subject to sanction pursuant to 42 U.S.C. §1320a-7a or 1320a-8, (c) convicted of a crime described at 42 U.S.C. §1320a-7b, or (d) subjected to any final adverse legal action as set forth in Form CMS-855A Section 3.

5.13 **Medicare and Medicaid; Investigations; Third Party Payors.**

5.13.1 Seller has not received notice that the Business is subject to any restriction or limitation on the receipt of payment under Title XVIII of the Social Security Act (“***Medicare***”) or Title XIX of the Social Security Act (“***Medicaid***”). Seller is a “provider” with valid and current provider agreements and with one or more provider numbers with the Government Programs. Seller is in compliance with the conditions of participation for the Government Programs in all material respects, including without limitation, all Medicare certification and payment rules. There is no pending or, to the Knowledge of Seller, threatened Proceeding or investigation under the Government Programs involving Seller, the Business or any of the Purchased Assets.

5.13.2 To the Knowledge of Seller, CGH (i) has not been the subject of any investigation conducted by any federal or state enforcement agency, (ii) has not been and is not a defendant in any unsealed qui tam/False Claims Act litigation, and (iii) has not been served with or received any search warrant, subpoena, civil investigative demand, contact letter, or telephone or personal contact by or from any federal or state enforcement agency. CGH is not a party to any corporate integrity or other agreements with any federal or state enforcement agency in relation its participation in any Governmental Programs.

5.13.3 Set forth on **Schedule 5.13.3** is a list of all third party payor agreements in which Seller participates with respect to the Business, including Government Programs and any private insurance companies, health maintenance organizations and similar programs or entities.

5.13.4 Seller and CGH are, and have at all times been in compliance with the requirements for qualification as a sole community hospital set forth in 42 CFR 412.92 and related CMS program guidance.

5.13.5 Seller and the RHCs are, and have at all times been in compliance with the requirements for rural health clinics set forth in CMS regulations and program guidance, including, but not limited to any cost reporting requirements for rural health clinics.

5.14 Tax Returns and Liabilities.

5.14.1 All tax returns of every kind, including, without limitation (as applicable), returns of all income taxes, franchise taxes, real and personal property taxes, ad valorem taxes, intangibles taxes, sales and use taxes, withholding taxes, payroll taxes, employee compensation taxes, unemployment insurance, and all other taxes of any kind applicable to Seller ("**Taxes**") that are due to have been filed in accordance with applicable laws have been duly filed, and all Taxes shown to be due on such returns have been paid in full. There are no tax liens on any of the Purchased Assets.

5.14.2 There are no pending or, to the Knowledge of Seller, threatened (either in writing or verbally, formally or informally) audits, investigations, claims, suits or other Proceedings for or relating to any material liability in respect of Taxes by any federal, state, local or other jurisdiction; nor has Seller received any notice or questionnaire from any jurisdiction which suggests or asserts that Seller may have a duty to file such returns and pay such Taxes, or otherwise is subject to the taxing authority of such jurisdiction. No material deficiencies for Taxes have been claimed, proposed or assessed by any taxing or other Governmental Authority and there are no matters under discussion with any governmental authorities with respect to Taxes, that could result in any additional amount of Taxes and that could reasonably be expected to affect the Business or the Purchased Assets. No extension of a statute of limitations (whether arising by reason of a waiver, claim for refund, or otherwise) in respect of such Taxes is in effect and there are no requests for rulings or determinations in respect of Taxes pending with any Governmental Authority.

5.14.3 Any real property transfer Tax, documentary stamp Tax or similar Tax attributable to the sale or transfer of the Purchased Assets ("**Transfer Taxes**") shall be borne by Seller and shall be payable at Closing.

5.15 Absence of Certain Changes. Since December 31, 2015 there has not been: (a) any adverse change in or loss relating to the Purchased Assets or the operations, liabilities, earnings, business or financial condition of the Business which have been or could be expected to be, individually or in the aggregate with other changes, significantly adverse to the Business or the Purchased Assets (a "**Material Adverse Change**"); (b) any commitment to make a capital expenditure with respect to the Purchased Assets (exclusive of expenditures for repair or maintenance in the ordinary course of business) that would otherwise result in a post-closing liability to Purchaser; (c) any extraordinary pay rate increases (greater than 3%), bonuses or other payments to employees of Seller; (d) any cancellation, termination or material amendment by Seller of any Assumed Agreement to which Seller is a party or by which Seller is bound; (e) any sale, assignment or transfer (including, without limitation, any collateral assignment or the

granting or permitting of any lien, encumbrance or other claim) of any of the Purchased Assets other than in the ordinary course of business and consistent with past practices; or (f) any agreement by or commitment of Seller to do or permit any of the foregoing.

5.16 Employment Matters.

5.16.1 Schedule 5.16.1 contains a complete list of the names of all personnel employed by Seller as of the Effective Date to provide services in connection with the Business (collectively, the “*Seller Staff*”), together with such person’s status (full or part-time), date of hire and job title.

5.16.2 Seller is in compliance in all material respects with all laws, statutes, rules, or regulations or other requirements of any Governmental Authorities respecting employment and employment practices, immigration, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor practice or charge of discrimination. There is no unfair labor practice complaint against Seller pending before the National Labor Relations Board. There is no (a) labor strike, dispute, slowdown or stoppage actually pending or, to the Knowledge of Seller, threatened against or involving Seller, (b) no existing representation question respecting the Seller Staff, and (c) no grievance or any arbitration Proceeding pending. Seller has not experienced any labor stoppage during the last five (5) years.

5.16.3 There are not now pending, nor, to the Knowledge of Seller, have there been threatened within the last two (2) years, charges or complaints alleging any charges of discrimination in connection with Seller’s operation of the Business under civil rights laws, statutes, ordinances, executive orders, rules or regulations concerning discrimination in employment based upon any protected category, classification or characteristic, including but not limited to any claims for actual or alleged harassment or discrimination based on race, national origin, color, age, sex, sexual orientation, religion, disability, military status, family/medical leave, or similar tortuous conduct, wage and hour claims, breach of contract, wrongful termination, defamation, intentional or negligent infliction of emotional distress, interference with contract or interference with actual or prospective economic advantage.

5.16.4 Except as disclosed on Schedule 5.16.4, no changes in the basis for remuneration of employees of Seller has been made, promised or authorized by Seller since December 31, 2015, except in the ordinary and usual course of business, in accordance with past practices.

5.16.5 Except as disclosed on Schedule 5.16.5, Seller has no written employment contracts, and no agreements of any nature that provide for employment for any particular period of time or that provide any restrictions upon Seller’s right to terminate employment without any post-termination payment obligation, with any person whomsoever relating to the Business. Other than in the ordinary course of business, no binding agreements have been made or entered into between Seller and any of the Seller Staff involved in the Business regarding changes in compensation, promotion or any other change in status.

5.16.6 Seller is not party to any union contracts or collective bargaining agreements, and no labor organizing campaign is currently under way or, to the Knowledge of Seller, threatened.

5.17 Employment Obligations and Benefits.

5.17.1 Schedule 5.17.1 is a complete and accurate list of all employee benefit plans or programs which Seller (which, for purposes of this Section 5.17, includes any trade or business (whether or not incorporated) which is treated as a single employer with Seller under Section 414(b), (c), (m) or (o) of the Code) maintains, sponsors, contributes to, or has any liability (contingent or otherwise) with respect to, including, without limitation, any profit-sharing, deferred compensation, bonus, payroll, sick leave, consulting, stock option, stock purchase, pension, retainer, consulting, retirement, vacation, change of control, disability, severance, welfare or incentive plan policy, agreement, practice or arrangement; any plan, agreement or arrangement providing for fringe benefits or perquisites to employees, officers, directors or agents of Seller, including but not limited to benefits relating to employer-supplied automobiles, clubs, medical, dental, hospitalization, life insurance and other types of insurance, retiree medical, retiree life insurance and any other type of benefits for retired and terminated employees; any employment agreement; any "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"); and any other employee benefit plan, program or arrangement (herein referred to individually as "*Plan*" and collectively as "*Plans*").

5.17.2 Except as disclosed on Schedule 5.17.2, during the previous six (6) years, Seller has not maintained, participated in, or had any liability (contingent or otherwise) with respect to, a Plan that is or has ever been (i) covered by Title IV of ERISA, (ii) subject to the minimum funding requirements of Section 412 of the Code, (iii) a "multiemployer plan" as defined in Section 3(37) of ERISA, or (iv) a multiple employer plan.

5.17.3 Except as disclosed on Schedule 5.17.3, no Plan provides for any post-termination health benefits or other welfare benefits for any persons other than as required by Part 6 of Subtitle B of Title I of ERISA and Code Section 4980B, as amended ("*COBRA*").

5.17.4 Each Plan has been maintained and administered in material compliance with its terms and in accordance with all applicable legal requirements. Each Plan can be terminated without the consent of any third party. Seller and any "disqualified person" (as defined in Section 4975 of the Code) with respect to any Plan have not engaged in any "prohibited transaction" as defined in Section 4975 of the Code.

5.17.5 Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (either alone or in conjunction with another event, such as termination of employment) will result in, cause the accelerated vesting or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer or director of Seller.

5.17.6 There are no Proceedings that have been asserted or instituted against the Plans (other than routine claims for benefits) and, to the Knowledge of Seller, no such

actions, claims, lawsuits, investigations or audits have been threatened. No event has occurred and no condition exists with respect to the Plans that could subject Purchaser or any Plan to any liability under applicable legal requirements.

5.17.7 All premiums required to be paid, all benefits, expenses and other amounts due and payable, and all contributions, transfers or payments required to be made to or under the Plans as of the Effective Time (i.e., any and all amounts due and payable as of the Effective Time) will have been paid or made prior to the Effective Time.

5.17.8 If and to the extent Seller has characterized any Plan as a “governmental plan” as defined in Section 3(32) of ERISA, Seller has properly applied such characterization to such Plan and there are no facts that exist that contradict such characterization. Seller has received no notice, inquiry or investigation by any Governmental Authority regarding any Plan’s status as a governmental plan.

5.17.9 For the 2015 calendar year, Seller complied with the reporting requirements applicable to Seller under Sections 6055 and 6056 of the Code.

5.17.10 For the 2015 calendar year and for each month of the 2016 calendar year to and including the Closing Date, Seller is not and will not be subject to any “assessable payments” as described in Section 4980H(a) and (b) of the Code.

5.18 Insurance. A complete and accurate schedule of all insurance policies (including a statement of policy limits and deductibles) held by Seller relating to the Business, now in force, including, without limitation, professional liability, public liability, property damage, business interruption, product liability and workers compensation or other coverage, is contained on Schedule 5.18. Seller has provided Purchaser with the Business’ loss history for the three (3) years prior to the date hereof. Seller has not received any notice or other communication from any such insurance company within three (3) years preceding the date hereof canceling or materially amending or materially increasing the annual or other premiums payable under any of said insurance policies and no such cancellation, amendment or increase of premiums is threatened.

5.19 Environmental, Health, and Safety Matters.

5.19.1 Seller and its predecessors and affiliates have complied with, and are in compliance with, all Environmental Laws related to the Business and the Purchased Assets.

5.19.2 Neither Seller nor any of its predecessors or affiliates has received any written notice, report or other information regarding any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to the Business or the Purchased Assets arising under any Environmental Law. To the Knowledge of Seller, there are no threatened Proceedings concerning any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to the Business or the Purchased Assets arising under any Environmental Law.

5.19.3 None of the following exists at any property or facility owned, leased or operated by Seller in connection with the Business: (A) underground storage tanks, (B) asbestos-containing material in any form or condition, (C) materials or equipment containing polychlorinated biphenyls, or (D) landfills, surface impoundments, or disposal areas.

5.19.4 Neither Seller nor any of its predecessors or affiliates has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, or released any substance, including without limitation, any Hazardous Materials, or owned or operated any property or facility in connection with the Business or the Purchased Assets (and no such property or facility is contaminated by any such substance) so as to give rise to any current or future Environmental Liabilities, including any liability for fines, penalties, response costs, corrective action costs, personal injury, property damages, natural resources damage or attorney's fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Solid Waste Disposal Act, as amended, or any other Environmental Laws.

5.19.5 Neither this Agreement nor the consummation of the transactions that are the subject of this Agreement will result in any Environmental Liabilities or obligations for site investigation or cleanup, or notification or consent of government agencies or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental Laws.

5.19.6 Neither Seller nor any of its predecessors or affiliates has assumed, or otherwise become subject to, any Environmental Liability, including without limitation any obligation for corrective or remedial action, of any other person or entity relating to Environmental Laws in connection with the Business or the Purchased Assets.

5.19.7 No facts, events or conditions relating to the past or present facilities, properties or operations of the Business (including, without limitation, the Purchased Assets) or its predecessors or affiliates will prevent, hinder or limit continued compliance with Environmental Laws, give rise to any investigatory, remedial or corrective obligations pursuant to Environmental Laws, or give rise to any other liabilities pursuant to Environmental Laws, including, without limitation, any relating to on-site or off-site releases or threatened releases of Hazardous Materials, substances or wastes, personal injury, property damage or natural resources damages.

5.19.8 Seller has furnished to Purchaser all environmental audits, reports and other material environmental documents relating to each of Seller's or its predecessor's or affiliates past or current properties, facilities, or operations that are in its possession or under its reasonable control in connection with the Business or the Purchased Assets.

5.20 Sellers Financial Statements. Copies of the financial statements of Seller as of and for the fiscal year ended December 31, 2015 (all of which are collectively referred to in this Agreement as the "***Seller's Financial Statements***," and the balance sheet of Seller as of August 31, 2016, is sometimes referred to separately as the "***Business Balance Sheet***") are attached hereto as Schedule 5.20. Seller's Financial Statements are complete and accurate in all material respects, have been prepared from the books and records of the respective entity, and fairly

present, in all material respects, (a) the financial condition and results of operations of the Business as of their respective dates, and (b) the results of operations of the Business for the respective periods then ended. The statements of income and retained earnings and statements of cash flows included in Seller's Financial Statements do not reflect the operations of any entity or business the assets of which are not included in the Purchased Assets. All notes and Accounts Receivable of Seller are reflected properly on its books and records, and to the Knowledge of Seller, subject to customary contractual adjustments (i) are valid receivables and are not subject to setoffs or counterclaims, (ii) are expected to be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts through the Effective Time in accordance with the past custom and practice of the applicable entity.

5.21 Brokers. Neither Seller nor anyone acting on its behalf has retained any broker, finder or agent or incurred any liability or obligation for any brokerage fees, commissions, or finders' fees or the like with respect to this Agreement or the transactions contemplated hereby.

5.22 Preservation of Assets. Between the Effective Date and the Closing Date, Seller shall make best efforts to preserve the value of the Purchased Assets and shall continue to operate the Business in the same manner in which the Business was conducted during the period immediately preceding the Effective Date.

5.23 Research Studies. All research involving human subjects being conducted or which has been conducted by Seller, if any (a) is and has been in compliance in all material respects with all laws, statutes, rules, or regulations or other requirements of any Governmental Authorities governing research including but not limited to the Department of Health and Human Services ("*DHHS*") and Food and Drug Administration regulations for the protection of human subjects, 45 C.F.R. Part 46 and 21 C.F.R. Part 50; (b) was reviewed and approved by an authorized institutional review board that has an approved assurance on file with the DHHS Office for Human Research Protections and otherwise is in compliance with the federal regulations governing the operations of institutional review boards; and (c) is being and has been conducted in accordance with the applicable research agreement under which Seller is bound.

5.24 Medical Staff Matters. Seller has provided to Purchaser with respect to CGH (a) true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of CGH, as well as a list of all current members of the medical staff; and (b) true and correct copies of the blank forms generally used with respect to medical staff privilege and membership application or delineation of privilege. Except as set forth in Schedule 5.24, there are no adverse actions with respect to any medical staff members of CGH or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing which has not been scheduled or has been scheduled but has not been completed, and there are no pending or, to the Knowledge of Seller, threatened disputes with applicants, staff members, or health professional affiliates, and Seller knows of no basis for any such disputes, and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

5.25 No Untrue Statements or Missing Information. No representation or warranty made by Seller in this Agreement nor any information, statement or certificate already furnished

or to be furnished to Purchaser in connection with the negotiation of the sale of the Purchased Assets or execution, delivery or performance of this Agreement and the Transaction Documents to which Seller is a party, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of material fact or fails or will fail to state a material fact necessary to make the statements contained therein not misleading.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

6.1 Organization and Power. Purchaser is an Oklahoma nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State of Oklahoma with power and authority to conduct its business, to lease and/or own the properties leased or owned by it, and to enter into and perform its obligations under this Agreement and the transactions contemplated hereunder.

6.2 Authorizations. The execution and delivery of this Agreement and the other Transaction Documents by Purchaser, the performance by Purchaser of its obligations under this Agreement and the Transaction Documents, and the consummation of the transactions contemplated thereby, have all been duly authorized by all necessary organizational action on the part of Purchaser and will constitute the lawful, valid and legally binding obligations of Purchaser, enforceable in accordance with their respective terms.

6.3 No Violation. Neither the execution and delivery of this Agreement or the Transaction Documents to which Purchaser is a party, nor the consummation by Purchaser of the transactions contemplated thereby conflict with or result in the breach or violation of any of the terms or conditions of, or constitute (or with notice or lapse of time or both would constitute) a default under (a) the organizational documents of Purchaser; (b) any instrument, contract or other agreement to which Purchaser is a party or by which Purchaser is bound; (c) any provision of law, statute, rule or regulation or other requirement of any Governmental Authorities to which Purchaser is subject; or (d) any judgment, decree, franchise, or order applicable to Purchaser.

6.4 Brokers. Neither Purchaser nor anyone acting on its behalf has retained any broker, finder or agent or incurred any liability or obligation for any brokerage fees, commissions or finders' fees or the like with respect to this Agreement or the transactions contemplated hereby.

ARTICLE VII. ADDITIONAL COVENANTS OF THE PARTIES

7.1 Conduct of the Business Pending the Closing.

7.1.1 Prior to the Closing, except (1) as required by applicable Law, (2) as otherwise expressly contemplated by this Agreement or (3) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall:

(a) use its commercially reasonable efforts to retain the provider numbers for third-party payors, if applicable;

(b) (A) maintain the Purchased Assets in good working order and condition consistent with past practices, ordinary wear and tear excepted, (B) maintain the insurance coverage currently in place with respect to the Purchased Assets (or comparable replacement coverage) and (C) conduct the Business in the Ordinary Course of Business; and

(c) comply in all material respects with all Laws and Orders pertaining to the Business.

7.1.2 Except (1) as required by applicable Law, (2) as otherwise expressly contemplated by this Agreement or (3) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall not, solely as it relates to the Business:

(a) other than in the Ordinary Course of Business, (A) materially increase the annual level of compensation of any employee who works in the Business, (B) grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any employee who works in the Business, (C) with respect to any employee who works in the Business, increase the coverage or benefits available under any (or create any new) Plan, or (D) except for any key employee retention plan or similar agreement that has been approved by the Bankruptcy Court (which plan or agreement, if any, shall be the sole obligation of Seller and Purchaser shall have no obligation whatsoever related to any such plan or agreement), enter into any employment, deferred compensation, severance, consulting, non-competition or similar agreement (or amend any such agreement) with any employee who works in the Business;

(b) subject any of the Purchased Assets to any Lien;

(c) acquire or lease any material properties or assets or sell, assign, license, transfer, convey, lease or otherwise dispose of any assets of the type that would be of the Purchased Assets (except pursuant to an existing (as of the date of this Agreement) contract for fair consideration in the Ordinary Course of Business or for the purpose of disposing of obsolete or worthless assets);

(d) other than in the Ordinary Course of Business, remove from the Leased Real Property, the Owned Real Property or the Separately Purchased Owned Real Property any Furniture and Equipment or other tangible personal property used in the Ordinary Course of Business without replacing such property with substantially equivalent or better property; or

(e) agree to do anything prohibited by this Section 7.1.

7.2 Obligations Concerning Employees.

7.2.1 Immediately prior to the Closing, Seller shall terminate the employment of all of the Seller Staff consistent with the provisions of all applicable laws and regulations (including without limitation the Worker Adjustment and Retraining Act, as applicable). Purchaser or an affiliate of Purchaser shall offer employment at Closing to such members of Seller Staff as determined by Purchaser, in its sole discretion, on compensation and benefit terms and conditions that are consistent with Purchaser's existing compensation and benefits structure and on such other terms and conditions established by Purchaser in its sole discretion. Seller Staff who have received and accepted a post-Closing offer of employment from Purchaser will be listed on Schedule 7.2.1 as of the Closing (the "**Transferring Seller Staff**"). Such offers of employment by Purchaser shall not be deemed to create a continuing right to employment for any Transferring Seller Staff, and each offer of employment to the Transferring Seller Staff remains at-will and shall be subject to (a) satisfaction of all pre-employment requirements under applicable Purchaser personnel policies, (b) continued compliance with all policies applicable to Purchaser employees in effect from time to time, (c) continued satisfactory performance as determined by Purchaser in its sole discretion, and (d) continuing need by Purchaser for the services of such Transferring Seller Staff in the applicable position and/or the ability of Purchaser to utilize such Transferring Seller Staff in other similar positions for which such Transferring Seller Staff are qualified, as determined by Purchaser in its sole discretion. Purchaser and any affiliate of Purchaser shall have no obligation to recognize service of the Transferring Seller Staff with Seller for any purpose relating to compensation or benefits provided by Purchaser or an affiliate of Purchaser, including but not limited to: (a) salary levels or wage amounts; (b) benefit computation under any vacation, sick leave, service award, severance, paid time off or seniority policies; (c) eligibility under any welfare benefit plan; and (d) vesting and eligibility under any retirement plan.

7.2.2 The Parties agree that Seller shall be solely responsible for all Plan liabilities relating, directly or indirectly, to any period prior to the Closing Date. The Parties agree that Purchaser does not and will not assume the sponsorship of, or the responsibility for contributions to, or any liability in connection with, any Plan (including failure to provide for any continuation coverage required by COBRA due to qualifying events that occur on or before Closing). Purchaser shall not be responsible for any workers' compensation claims based on employment with Seller or its predecessors or affiliates.

7.2.3 Within ten (10) days following the Closing Date, Seller shall issue to all of the Seller Staff payroll checks (i) for all earned salary, wages, and incentive bonuses; and (ii) for all accrued but unused PTO through the Closing Date.

7.2.4 Seller will be solely responsible for providing continuation of coverage for COBRA qualifying events that occur on or prior to the Closing and will maintain the Plans of Seller that provide health, dental and vision benefits until the lapse of the applicable 18, 29 or 36 month period of COBRA continuation coverage for the COBRA qualified beneficiaries under Seller's Plans.

7.2.5 Without limiting the generality of Section 12.12, Seller acknowledges and agrees that all provisions contained in this Agreement with respect to Transferring Seller Staff are included for the sole benefit of Seller and Purchaser, and that nothing in this Section 7.2, whether express or implied, shall create any third party beneficiary or other rights (i) in any person, including, without limitation, any employees, former employees, any participant in any Plan or any dependent or beneficiary thereof; or (ii) to continued employment with Purchaser or any of its affiliates. Nothing contained herein, whether express or implied, shall be treated as an amendment or other modification of any employee benefit plan or arrangement of Purchaser or its affiliates, or shall limit the right of Purchaser or its affiliates to amend, terminate or otherwise modify any such employee benefit plan or arrangement following the Closing in accordance with its terms. In the event that (i) a party other than Seller makes a claim or takes other action to enforce any provision of this Agreement as an amendment to any employee benefit plan or arrangement, and (ii) such provision is deemed in any judicial Proceeding to be an amendment to such employee benefit plan or arrangement even though not explicitly designated as such in this Agreement then such provision, to the extent covered by such deemed amendment, shall lapse retroactively and shall have no amendatory effect.

7.2.6 For the portion of calendar year 2016 through the Closing Date, Seller shall comply with all of the requirements with respect to the filing and furnishing of Internal Revenue Service Forms W-2, W-3, 1099 and 941 for the Seller Staff and with all of the reporting requirements applicable to Seller under Sections 6055 and 6056 of the Code, at its expense. For the portion of calendar year 2016 after the Closing Date, Purchaser shall comply with all of the requirements with respect to the filing and furnishing of Internal Revenue Service Forms W-2, W-3, 1099 and 941 for the Transferring Seller Staff that become employees of Purchaser and with all of the reporting requirements applicable to Purchaser under Sections 6055 and 6056, at its expense.

7.2.7 Seller shall take such actions as are necessary to ensure that the Plans shall not become orphan or abandoned plans, but rather, shall be either terminated or maintained, in any case, in accordance with all applicable law and the terms of the applicable Plans. Without limiting the foregoing, Seller shall remain in existence and shall monitor, administer and update in compliance with applicable law, the Craig General Hospital 403(b) Plan (the “**403(b) Plan**”) until the assets of the 403(b) Plan are completely liquidated and distributed. Responsibility for making Seller’s contributions and ensuring proper payout of Plan benefits shall be that of Seller. Payment and responsibility for all remaining audits, annual reports, plan amendments, fiduciary determinations and other related ERISA, plan sponsor and plan administrator activities and expenses shall remain exclusively the responsibility of Seller. Purchaser and any plans maintained by Purchaser shall not be obligated to permit any 403(b) Plan participant to roll over or otherwise transfer accounts in the 403(b) Plan to any plan maintained by Purchaser.

7.2.8 Following the Closing Date, Seller shall provide Purchaser with all employment information (including but not limited to dates of service, hours worked and compensation levels) reasonably requested by Purchaser as necessary for Purchaser to comply with applicable legal requirements and operation of Purchaser’s employee benefit

plans, to the extent such information has not already been provided to Purchaser prior to the Closing Date.

7.2.9 Seller has provided post-termination medical, dental and vision benefits to certain employees who terminated employment prior to January 1, 2015 (“***Seller Retiree Coverage***”). Seller agrees that all Seller Retiree Coverage shall be terminated on or prior to the Closing Date and further agrees to provide to Purchaser an acknowledgment and release of claims (in a form acceptable to Purchaser in its sole discretion) from each former Seller employee receiving Seller Retiree Coverage reflecting that Seller Retiree Coverage has terminated on or before the Closing Date and that such individual releases any claims to future retiree coverage from Seller or Purchaser or any affiliates thereof (the “***Retiree Coverage Releases***”).

7.3 Confidentiality.

7.3.1 In connection with the transactions contemplated under this Agreement, each Party has provided and will provide to each other (through discussions, sharing of documents, and correspondence between principals, agents, employees or representatives of the Parties), certain non-public, confidential business information and data. Such information and data includes, without limitation, information and data regarding the respective Party’s finances, management, operations, assets, organizational structure, goals and objectives, business plans and strategic plans, and the transactions contemplated under this Agreement (the foregoing information hereinafter referred to collectively as “***Confidential Information***”). Notwithstanding anything set forth herein to the contrary, the following information shall not be considered Confidential Information for purposes of this Agreement: (i) information with respect to one Party that is currently a part of the public domain, or becomes a part of the public domain through no fault of any other Party; (ii) information acquired by a Party from a third party having the right to make such a disclosure at the time such Party receives the information; or (iii) information required to be disclosed in accordance with applicable law, including applicable regulations, or duly issued judicial process or governmental agency pronouncements.

7.3.2 Seller and Purchaser each agree (a) to receive and review the Confidential Information of the other Party in strict confidence and not use the Confidential Information of the other Party in any manner other than as necessary for implementing transactions contemplated under this Agreement or as required by law (such necessity hereinafter referred to as “***As Necessary***”); (b) to only disclose Confidential Information of the other Party As Necessary to its directors, officers, employees, consultants, attorneys, accountants and agents who have a reasonable need to know in connection with consummating the transactions contemplated under this Agreement; and (c) to maintain and to cause its directors, shareholders, members, officers, employees, agents, affiliates, subsidiaries, successors and assigns to maintain the confidentiality of all Confidential Information of the other Party and not to disclose such information to any third party except as provided herein. Seller and Purchaser each agree not to duplicate or make any copies of the other Party’s Confidential Information except As Necessary. At any time upon receipt of a written request from the other Party, Seller and Purchaser each agree it/he/she shall return to the requesting Party or destroy all Confidential Information specified in the request

regarding the requesting Party then in its possession and all other memoranda, notes, copies, computer disks or other writings shall also be returned or destroyed.

7.4 Tax Matters. After the Closing Date, each of the Parties shall use commercially reasonable efforts to (a) assist the other Party in preparing any tax return that such other Party is responsible for preparing and filing relating to the transactions contemplated by this Agreement, (b) cooperate in preparing for any audit of, or dispute with, taxing authorities regarding any tax return relating to the Business or the Purchased Assets for fiscal year 2016 and any period prior to the Closing Date, (c) make available to the other and to any taxing authority as reasonably requested all information, records, and documents relating to taxes of the Business or relating to the Purchased Assets, (d) provide timely written notice to the other Party of any pending or threatened tax audit or assessment with respect to taxes of the Business or relating to the Purchased Assets for taxable periods for which the other Party may have a claim under this Agreement, and (e) with respect to the Business or the Purchased Assets, furnish the other Party with copies of all correspondence received from any taxing authority in connection with any tax audit or information request with respect to any such taxable period. Any tax return with respect to transfer taxes that is required to be filed shall be prepared and, to the extent Seller is permitted by law or administrative practice, filed by Seller when due. Each Party shall comply with all of its respective requirements and obligations under state tax bulk sales or similar laws that apply when an individual or entity sells some or all of its assets.

7.5 Access To Records and Space. Seller shall cooperate with Purchaser in Purchaser's due diligence investigation with respect to the Business and the Purchased Assets. Subject to compliance with HIPAA and the limitations on sharing personally identifiable patient information, such cooperation shall include, but not be limited to, providing Purchaser with Seller's files and records with respect to the Business in a timely manner and providing representatives of Purchaser with access to the properties of Seller to conduct physical inspections and to prepare for transition of the Purchased Assets to Purchaser.

7.6 Good Faith. The Parties agree to work together and negotiate in good faith in order to satisfy each of the conditions to Closing set forth in Section 4.2 and 4.3 hereof.

7.7 Books and Records.

7.7.1 In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of three (3) years after the Closing, Purchaser shall:

(a) retain the books and records (including personnel files) of Seller relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of Seller; and

(b) upon reasonable notice, afford the Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such books and records.

7.7.2 Purchaser shall not be obligated to provide Seller with access to any books or records (including personnel files) pursuant to this Section 7.7 where such access would violate any law.

7.8 Prior Acts Coverage. Following the Effective Date, Seller shall obtain, at its sole expense, insurance for extended reporting periods or “tail” insurance, in form and substance reasonably acceptable to Purchaser (the “*Tail Coverage*”), to insure against liabilities in connection with the business or operation of the Businesses and the operation of the Purchased Assets. The Tail Coverage shall include endorsement policies for any physicians employed by any of Seller. The Tail Coverage shall be retroactive such that it covers all periods prior to the Effective Date, shall remain in effect indefinitely, and shall provide for limits of liability at least equal to those limits in effect immediately prior to the Effective Date. Purchaser and its affiliates shall be included as additional insured parties pursuant to the Tail Coverage.

7.9 Regulatory Approvals. Following the Effective Date, Purchaser and Seller will reasonably cooperate in making all required notices and applications, so that the parties may receive all approvals required to close the transactions contemplated hereby. Each of Purchaser and Seller shall use its commercially reasonable efforts to furnish to each other all information required for any application or other filing to be made pursuant to any applicable Law in connection with the contemplated transactions. Each such party shall promptly inform the other parties of any material oral communication with, and provide copies of written communications with, any Governmental Authority regarding any such filings or any such transaction. No such party shall independently participate in any formal meeting with any Governmental Authority in respect of any such filings, investigation, or other inquiry without giving the other parties prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate.

7.10 Use of Sale Proceeds. Seller agrees that, without the consent of Purchaser, the proceeds from the Purchase Price will not be used by Seller or by any entity to which Seller may convey any of such proceeds, including but not limited to the Craig County Healthcare Foundation, Inc. (the “*Foundation*”) (a) to acquire or construct new health care facilities or engage in other activities in Craig County that compete with the operations of Purchaser and its affiliates in Craig County, or (b) to provide contributions or other funding for health care facilities or activities that compete with Purchaser or its affiliates’ operations in Craig County. By its acknowledgement of this Agreement, the Foundation agrees that in consideration of its receipt of any residual funds it may receive in connection with the transactions contemplated by this Agreement, it will abide by this Section 7.10 and will not, directly or indirectly (except with the prior approval of the Purchaser Board of Directors), for a period of ten (10) years following the Closing Date, own, operate, or engage in the construction (including by making a material donation or providing other material financing) of any Competing Business within the Restricted Area, or donate or contribute any funds to a Competing Business. For purposes of this Section 7.10 (i), “Competing Business” means any business owning, operating, or managing any business providing services of a kind provided by Craig County Hospital or Purchaser and/or its affiliates, and (ii) “Restricted Area” means Craig County and all counties contiguous thereto.

7.11 Cost Reports. Seller will prepare and timely file, at Seller's expense, all cost reports relating to Seller and the Businesses for periods ending on or prior to the Effective Time or required as a result of the consummation of the transactions set forth herein, including terminating cost reports for the Government Programs and for any other cost-based payors (the "***Seller Cost Reports***"). Purchaser will reasonably cooperate with Seller in regard to the preparation, filing, handling and appeals of the Seller Cost Reports. Purchaser shall have the right to review and approve all Seller Cost Reports prior to filing. Purchaser shall forward to Seller any and all correspondence relating to the Seller Cost Reports or agency settlement within ten (10) days after receipt by Purchaser. Likewise, Seller shall forward to Purchaser any and all correspondence relating to the Seller Cost Reports within ten (10) days after receipt by Seller. Purchaser shall have all rights to or in respect of agency settlements and to the Seller Cost Reports relating to periods ending on or prior to the Effective Time, including any amounts receivable or payable in respect of such reports or reserves relating to such reports. Such rights shall include the right to appeal any Government Program determinations relating to agency settlements and the Seller Cost Reports. Except as required by legal requirements, Seller shall not open, re-file, or amend any Seller Cost Report without the prior written consent of Purchaser. Seller shall retain the originals of the Seller Cost Reports and agency settlements, and correspondence, work papers and other documents relating to the Seller Cost Reports and agency settlements. Seller will furnish copies of the Seller Cost Reports and agency settlements, and correspondence, work papers, and other documents relating to the Seller Cost Reports and agency settlements to Purchaser upon request.

7.12 Misdirected Payments. Each of Seller and Purchaser covenants and agrees to remit, immediately upon receipt thereof, to the other Party any payments received that are on or in respect of accounts or notes receivable owned by the other Party.

7.13 Medical Records Access. Purchaser is not acquiring Seller's medical records. At Seller's cost, Seller will maintain such medical records, subject to Bankruptcy Court Approval, for at least a one (1) year period following the Closing Date or for such longer period that Authority shall elect or that shall be required by the Bankruptcy Court. Subject to applicable federal and state laws, Seller will provide Purchaser with access to such medical records for purposes of Purchaser's payment, treatment and health care operations. Seller and Purchaser will agree prior to the Closing Date to the process for Purchaser obtaining such access and will execute any agreements necessary to implement that process. Such agreements will also address the terms of any arrangements between Seller and Purchaser with respect to Purchaser hosting Seller's medical and other business records software on Purchaser's computer hardware system, including but not limited to any HIPAA business associate agreement required to implement such arrangements.

7.14 Transition Payments. To compensate Seller for services rendered and medicine, drugs and supplies provided on or before the Closing Date with respect to patients admitted to CGH on or before the Closing Date but who are not discharged until after the Closing Date (such patients being referred to herein as the "***Transition Patients***"), the Parties shall take the following actions:

7.14.1 Medicare, Medicaid, TRICARE and Other DRG Transition Patients.

As soon as practicable after the Closing Date, Seller shall deliver to Purchaser a schedule that

lists all Transition Patients whose care is reimbursed by the Medicare, Medicaid, TRICARE or other third party payor program upon a diagnostic related group basis, case rate or similar basis. As soon as practicable after discharge of all remaining Transition Patients, Purchaser shall deliver to Seller a schedule setting forth lengths of stay for each Transition Patient. Seller shall pay to Purchaser an amount equal to the payments received by Seller on behalf of each such Transition Patient, as described in Medicare Claims Processing Manual Chapter 3, Section 100.4, including any deposits or co-payments made by or on behalf of such Transition Patient to Seller, the sum of which multiplied by a fraction for which the numerator shall be the number of days such Transition Patient was admitted to CGH subsequent to the Closing Date, and for which the denominator shall be the total number of days such Transition Patient was admitted to CGH. Payment under this Section 7.14.1 shall be made to Purchaser within 30 days after Seller's receipt of each payment from third party payors and schedule setting forth Transition Patient lengths of stay from Purchaser.

7.14.2 Other Patients. As of the Closing Date, Seller shall prepare cutoff billings for all Transition Patients not covered by Section 7.14.1. Seller shall be entitled to receive all amounts collected in respect of such cut-off billings. Purchaser shall remit to Seller any amounts Purchaser receives after the Closing Date with respect to medical services rendered to such Transition Patients on or prior to the Closing Date, including any periodic interim payments or portions thereof applicable to the period on or prior to the Closing Date.

ARTICLE VIII. DOCUMENTS TO BE DELIVERED AT CLOSING

8.1 Seller Deliverables. At the Closing, Seller shall:

8.1.1 Deliver to Purchaser an officer's certificate of the Seller which attaches and certifies the authenticity of: (a) a copy of the resolutions adopted by the governing board of Seller authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, duly certified by the Secretary of Seller, (b) a notarized acknowledgment of the conveyance contemplated hereby by the chairperson of the governing board of Seller, (c) a certificate of incumbency for the authorized officers of Seller, and (d) a certificate of good standing of the Seller issued by the Secretary of State of Oklahoma dated no later than seven (7) days prior to the Effective Date;

8.1.2 Deliver to Purchaser copies of such assignments, consents and approvals as necessary, including such resolutions as may be required from the County by the Title Company, to authorize the gift of the County Property to Seller to consummate the transactions contemplated by this Agreement and to transfer the Assumed Agreements from Seller to Purchaser, including without limitation each of the Leases;

8.1.3 Execute and deliver to Purchaser the following documents:

(a) a deed in form satisfactory to the Title Company and the Purchaser to convey the County Property from the County to the Seller which includes an acknowledgement that the Hospital Lease has been terminated as a result of the conveyance (the "*County Deed*");

(b) a Deed conveying the County Property from the Seller to the Purchaser in the form required by Section 2.4

(c) a Deed conveying the Owned Real Property described by Section 2.4 from Seller to Purchaser;

(d) the Bill of Sale;

(e) the Assignment Agreement;

(f) the Closing Statement;

(g) the Termination of Hospital Lease;

(h) any required affidavits, resolutions or other requested documentation as required by Section 11.1;

(i) a statement in the form described in Treasury Regulation § 1.1445-2(b)(2) executed by Seller, to the effect that Seller is not a "foreign person" within the meaning of Section 1445 of the Code, as amended;

(j) consents required for assignment of the Assumed Real Estate Leases; and

(k) such other assignments, transfers, powers of attorney, consents and/or other documents reasonably requested by Purchaser in order to effect the transfer of the Purchased Assets to Purchaser and the assumption of the Assumed Liabilities by Purchaser, or otherwise to facilitate the transactions contemplated hereby;

8.1.4 Deliver to Purchaser fully executed termination statements, payoff letters and/or any other documents required to be filed with the Oklahoma Secretary of State or any other governmental entities in order to fully release the liens, mortgages, and/or capital lease obligations described on **Schedule 8.1.4** attached hereto;

8.1.5 Deliver to Purchaser possession of the Purchased Assets and with respect to the Owned Real Property, any and all keys, access cards, security passcodes and combinations, any existing surveys, legal descriptions and title policies concerning the Owned Real Property that are in the possession of Seller;

8.1.6 Execute and deliver to Purchaser such additional documents, and take such additional actions, as required to consummate the transactions contemplated hereby including, but not limited to, such ordinary and customary documents (including any factually accurate affidavits) as may be required by the Title Company to issue the Title Policy, at Seller's sole cost and expense;

8.1.7 Deliver to Purchaser the Retiree Coverage Releases described in Section 7.2.9;

8.1.8 Deliver to Purchaser a certified copy of the final Order of the Bankruptcy Court approving the transactions contemplated hereunder, the Notice of Plan and a Plan of Liquidation, all in form and substance satisfactory to Purchaser in its sole discretion; and

8.1.9 Execute and deliver to Purchaser a certificate or certificates of Seller certifying that the representations and warranties of Seller hereunder are true and correct in all material respects as of the Closing Date as though made on the Closing Date, that there has been no Material Adverse Change between the Effective Date and the Closing Date, and that Seller has complied in all material respects with all of Seller's obligations under this Agreement.

8.2 At the Closing, County shall:

8.2.1 Deliver to Purchaser a copy of the resolutions adopted by the governing board of County authorizing the gift of the County Property to Seller and the execution and delivery of the County Deed in the form required by the Title Company;

8.2.2 Execute and deliver to Purchaser and Seller the County Deed; and

8.2.3 Execute and deliver to Purchaser and Seller the Termination of Hospital Lease.

8.3 Purchaser Deliverables. At the Closing, Purchaser shall:

8.3.1 Deliver to Seller a certificate of incumbency, duly certified as of the Closing Date by the Secretary of Purchaser;

8.3.2 Execute and deliver to Seller the Assignment Agreement.

8.3.3 Deliver the Purchase Price in accordance with the Closing Statement, by wire transfer of immediately available funds; and

8.3.4 Execute and deliver to Seller a certificate or certificates of Purchaser certifying that (i) the representations and warranties of Purchaser hereunder are true and correct in all material respects as of the Closing Date as though made on the Closing Date, (ii) Purchaser has complied in all material respects with all of Purchaser's obligations under this Agreement, and (iii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary Purchaser corporate action.

ARTICLE IX. TERMINATION

This Agreement may be terminated (1) by the mutual consent of the Parties at any time prior to the Closing; (2) upon written notice of termination by Purchaser or Seller to the other in the event that prior to the Closing there shall have been entered a final and non-appealable order by any government or governmental authority or agency which restrains or prohibits the

consummation of the transactions contemplated by this Agreement; (3) upon written notice of termination by the non-defaulting Party in the event of a default by a Party of any of its obligations hereunder or the material inaccuracy of any representation or warranty made by the defaulting Party and the failure of the defaulting Party to cure such default or misrepresentation within ten (10) days after receipt of notice from the non-defaulting Party; (4) by Purchaser, if the Bankruptcy Court does not approve the transaction contemplated in this Agreement; (5) by Purchaser pursuant to Section 4.4 hereof; (6) at the election of Purchaser, upon the Seller's cessation of the operation of the Business; or (7) by Purchaser or Seller upon written notice of termination to the other, if the Closing has not occurred by January 1, 2017, through no fault of the notifying Party.

ARTICLE X. INDEMNIFICATION

10.1 Survival of Representations and Warranties. All representations and warranties made by any Party hereto in or pursuant to this Agreement, including any schedules hereto, or in any instrument or certificate delivered pursuant to this Agreement, shall be deemed to have been material and relied upon by the Parties to which made and shall survive for a period of twenty-four (24) months following the Closing Date, excluding the representations and warranties contained in Sections 5.1, 5.2, 5.3, 5.10, 5.13, 5.17, 5.18, 5.19, 5.23, 6.1, 6.2, and 6.3, each of which shall survive indefinitely. Claims for indemnification with respect to the breach of a representation or warranty asserted in writing during the applicable survival period shall survive until resolved as provided in Section 10.2.

10.2 Indemnification.

10.2.1 By Seller. To the fullest extent permitted by applicable laws but to no greater extent, Seller shall indemnify, protect and defend Purchaser (and its shareholders, directors, members, officers, agents and employees) (collectively, "**Purchaser Indemnitees**") against, and hold Purchaser Indemnitees harmless from, any and all liabilities, losses, claims, suits, causes of action, demands, costs, damages, expenses (including, without limitation, court costs, reasonable attorneys' fees and expenses, costs of travel, interest expense and amounts paid in compromise or settlement of any losses, claims or suits), judgments or obligations arising or resulting, or alleged to arise or to result from or in connection with, (a) any misrepresentation, breach of warranty or violation of any covenant made by Seller hereunder, or in any Schedule hereto or certificate furnished or to be furnished by Seller hereunder, and (b) any Excluded Liability. The obligations of this Section 10.2.1 shall survive the Closing.

10.2.2 By Purchaser. To the fullest extent permitted by applicable laws but to no greater extent, Purchaser shall indemnify, protect and defend Seller (and its shareholders, directors, members, officers, agents and employees) (collectively, "**Seller Indemnitees**") against and hold Seller Indemnitees harmless from, any and all liabilities, losses, claims, suits, causes of action, demands, costs, damages, expenses (including, without limitation, court costs, reasonable attorneys' fees and expenses, costs of travel, interest expense and amounts paid in compromise or settlement of any losses, claims or suits), judgments or obligations arising or resulting, or alleged to arise or to result from or in connection with, (a)

the acts or omissions of Purchaser, or any of its agents and employees, from and after the Effective Time with respect to the Purchased Assets or any portion thereof, (b) any misrepresentation, breach of warranty or violation of any covenant made by Purchaser hereunder or in any certificate furnished or to be furnished by Purchaser hereunder, (c) any Assumed Liability, and (d) all taxes applicable to the Purchased Assets attributable to periods from and after the Effective Time (excluding any taxes relating to the transfer of the Purchased Assets pursuant to this Agreement). The obligations of this Section 10.2.2 shall survive the Closing.

10.3 Procedures.

10.3.1 Promptly after a party entitled to indemnification hereunder (the “*Indemnified Party*”) receives notice or has knowledge of any complaint, claim, prosecution, indictment, action, suit, arbitration or other legal, administrative, arbitration or other Proceeding (each, an “*Action*”) for which such party may be entitled to indemnification under Section 10.2.1 or 10.2.2, the Indemnified Party shall deliver to the party against whom indemnification is sought under this Article X (the “*Indemnifying Party*”) written notice of such Action (the “*Claim Notice*”), which Claim Notice shall include in reasonable detail such information as the Indemnified Party may have with respect to such Claim (including, without limitation, the nature and basis of such Action, the amount in dispute under such Action, copies of any summons, complaints or other pleadings which may have been served on the Indemnified Party or its agents and any written claim, demand, invoice, billing or other document evidencing the same); provided, however, that the delay of the Indemnified Party to provide the Claim Notice shall not release or waive the Indemnifying Party from its obligations to the Indemnified Party under this Article X unless, and then only to the extent that, the rights and remedies of the Indemnifying Party are actually prejudiced as a result of such delay.

10.3.2 In the case of an Action by a third party, the Indemnifying Party shall have the right to assume the defense thereof at its own cost and expense and with counsel of its own choosing. Failure by the Indemnifying Party to notify the Indemnified Party of its election to defend an Action within thirty (30) days of the Indemnifying Party’s receipt of the Claim Notice shall constitute a waiver by the Indemnifying Party of its right to assume control of the defense of such Action. The party assuming control of the defense of such Action, whether the Indemnifying Party or the Indemnified Party, shall take all reasonable steps necessary in the defense or settlement of such Action. Notwithstanding either the Indemnifying Party’s or the Indemnified Party’s assumption of the defense of such Action, the party which does not assume control of the defense of an Action may retain separate co-counsel at its sole cost and expense. Unless the party which has assumed control of the defense of the Action has acknowledged in writing to the other party that it will hold the other party harmless from and against all damages arising out of or resulting from such Action, the party assuming control of the defense of such Action may not consent to the entry of any judgment or enter into any settlement with respect to such Action without the written consent of the other party (which consent shall not be unreasonably withheld). The parties shall cooperate with each other in the defense of any such Action.

10.3.3 Subject to Section 10.3.4, in the event any Indemnified Party should have an Action against any Indemnifying Party hereunder which does not involve an Action or demand being asserted against or sought to be collected from it by a third party, the Indemnified Party shall send a Claim Notice with respect to such Action to the Indemnifying Party. If the Indemnifying Party fails to notify the Indemnified Party within thirty (30) days of its receipt of such Claim Notice that it disputes such Action, the amount of such Action shall be conclusively deemed a liability of the Indemnifying Party hereunder. If the Indemnifying Party does dispute such Action, such party shall give the other notice of its dispute within the aforesaid thirty (30) day period. The Indemnified Party shall upon receipt of such notice be entitled to retain counsel to represent it in advancing such Action.

10.3.4 A determination with respect to an Indemnified Party's entitlement to indemnification hereunder and the amount of the indemnification for which such Indemnified Party shall be entitled shall be made as follows: (a) upon the failure of the Indemnifying Party to provide notice to the Indemnified Party that the Indemnifying Party disputes such claim within thirty (30) days of the Indemnifying Party's receipt of the Claim Notice; (b) upon mutual agreement between the Indemnified Party and the Indemnifying Party; or (c) upon a final and non-appealable determination in appropriate legal Proceedings.

10.4 Limitations on Liability.

10.4.1 In determining the amount for which an Indemnified Party is entitled to indemnification under Section 10.2, the gross amount thereof will be reduced by any insurance proceeds actually received by the Indemnified Party with respect to such matter (net of any related deductibles). The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any losses prior to seeking indemnification under this Agreement.

10.4.2 Payments by an Indemnifying Party pursuant to Sections 10.2.1 or 10.2.2 in respect of any loss shall be reduced by an amount equal to any Tax benefit realized or reasonably expected to be realized as a result of such loss by the Indemnified Party.

10.4.3 Except for losses actually paid by an Indemnified Party, in no event will an Indemnifying Party be liable to an Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity or diminution of value or any damages based on any type of multiple.

10.4.4 Each Indemnified Party shall take, and cause its affiliates to take, all reasonable steps to mitigate any loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such loss.

10.4.5 Notwithstanding any other provision of this Agreement, no Indemnifying Party shall be liable to an Indemnified Party for indemnification until the aggregate amount of all losses in respect of such indemnification claim exceeds \$50,000 (the

“*Basket*”), at which point the Indemnifying Party shall only be liable for losses in excess of the Basket.

10.4.6 Notwithstanding the foregoing, no limitations on Liability as described in this Section 10.4 shall in any way be construed to limit the scope of the Excluded Liabilities described in Section 2.2 or increase Purchaser’s obligations with respect to Assumed Liabilities under Section 2.1.

ARTICLE XI. ADDITIONAL REAL PROPERTY MATTERS

11.1 Title Commitments. Seller, at its sole cost and expense, shall deliver the Title Commitments to Purchaser, together with legible photocopies of all documents referred to in the Title Commitments within ten (10) days after the Effective Date. Seller shall deliver to Purchaser, a UCC-4 Search Certificate from the County Clerk of Oklahoma County showing any UCC-1 filings and security interests regarding the Purchased Assets. Purchaser shall have ten (10) days after receipt of the Title Commitments, the title exception instruments and the Surveys within which to examine the same and to approve or object to Seller’s title in writing. Any title exceptions or other title or Survey matters which Purchaser approves in writing shall be deemed to be Real Property Permitted Exceptions. Any title or Survey matter not objected to in writing by Purchaser during such ten (10) day period shall be deemed to be a Real Property Permitted Exception. If Purchaser makes any timely written objections to title, then Seller shall, at its sole cost and expense, within ten (10) days after receipt of such objections or such additional time as may be agreed to by the parties, take all necessary action to cure any and all such objections. Seller shall, in all events, be obligated to and covenants and agrees to deliver to the Title Company at Closing any required affidavits, resolutions or other requested documentation sufficient to eliminate any applicable requirements in Schedule B – Section I of the Title Commitments, including, but not limited to, the delivery of a certified copy of the final Order of the Bankruptcy Court approving the sale of the Purchased Assets contemplated hereunder, releases of all liens and other encumbrances listed on said schedule and the delivery of a resolution of the County in form approved by the Title Company approving the gift of the County Property to the Seller.

**ARTICLE XII.
GENERAL PROVISIONS**

12.1 Notices. Any notices or other communications required or contemplated under the provisions of this Agreement shall be in writing and (a) delivered in person, evidenced by a signed receipt; (b) mailed by certified mail, return receipt requested, postage prepaid and deposited with the United States Postal Service; (c) sent by Federal Express or other nationally recognized overnight courier; or (d) sent by facsimile, provided duplicate notice is also delivered by the method listed in (a), (b) or (c), to the Parties at the addresses indicated below or to such other persons or addresses as a Party may provide by written notice to the other. The date of notice shall be the date of delivery if the notice is personally delivered, or the date of mailing if the notice is mailed by certified mail, the date of delivery to the overnight courier or the date facsimile transmission confirmation is received.

If to Purchaser: Saint Francis Hospital Vinita, Inc.
6161 South Yale Avenue
Tulsa, Oklahoma 74136
Attn: President and Chief Executive Officer

With a copy to (which shall not constitute notice): Saint Francis Health System
6161 South Yale Avenue
Tulsa, Oklahoma 74136
Attn: Office of General Counsel

If to Seller: Craig County Hospital Authority
First National Bank, Vinita
102 West Illinois
Vinita, Oklahoma 74301
Attn: James N. Ratcliff
(918) 256-7855 (FAX)

With a copy to (which shall not constitute notice): Logan & Lowry, LLP
101 S. Wilson Street
Vinita, Oklahoma 74301
Attn: Thomas J. McGeady, Esq.
(918) 256-3187 (FAX)

Either Party may change its notice address by notice to the other Party given in the manner set forth above.

12.2 Assignment. This Agreement may not be assigned by any Party without the prior written consent of the other Party.

12.3 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma without giving effect to the conflict of laws provisions thereof.

12.4 Submission to Jurisdiction. Any legal suit, action or Proceeding arising out of or relating in any way to this Agreement shall be brought and enforced in the Bankruptcy Court, to the extent applicable, or otherwise in the District Court of Craig County of the State of Oklahoma or in the United States District Court for the Northern District of Oklahoma and in either case each party hereto hereby submits to the exclusive jurisdiction of each such court. Each party hereto hereby waives and agrees not to assert, by way of motion or otherwise, in any such suit, action or Proceeding, any claim that such party is not personally subject to the jurisdiction of the above-named courts, that the suit, action or Proceeding is brought in an inconvenient forum or that the venue of the suit, action or Proceeding is improper.

12.5 Binding Terms and Provisions. All terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Parties hereto.

12.6 Entire Agreement; Amendment. This Agreement and all schedules and exhibits attached to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter contained in this Agreement and supersede all prior and contemporaneous agreements, representations, and understandings of the Parties, whether oral or written. This Agreement may only be amended by a writing executed by both Purchaser and Seller.

12.7 Headings. The headings of the several paragraphs hereof are included only for convenience of reference and are not intended to govern, modify or aid in the construction of any provision of this Agreement.

12.8 Review and Consultation. Each Party has had access to and reviewed such information and has consulted with all legal counsel, tax counsel, accountants and other experts and advisors deemed necessary by the Party in connection with the transaction contemplated herein.

12.9 Payment of Expenses. Legal, accounting and other expenses incident to this Agreement incurred by Seller shall be paid by Seller. Legal, accounting and other expenses incident to this Agreement incurred by Purchaser shall be paid by Purchaser. Seller shall pay the costs of the Surveys, any title abstracts required to issue the Title Commitments and the Title Policy.

12.10 Severability. If any one or more of the provisions of this Agreement or any application thereof shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement and any other application thereof shall not in any way be affected or impaired thereby; provided, however, that to the extent permitted by applicable law, any invalid, illegal or unenforceable provision may be considered for the purpose of determining the intent of the Parties in connection with the other provisions of this Agreement.

12.11 Waiver of Breach. The waiver by either Party of breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

12.12 Third Party Beneficiaries. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to it and the respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement, nor shall any provision give any third persons, any right of subrogation or action over or against any Party to this Agreement.

12.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original. Facsimile and electronic signature via pdf shall be considered of the same force and effect as original signatures.

12.14 Survival. The provisions of Articles II, III, V, VI, VII, X, and XII shall survive the Closing.

12.15 Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement shall not constitute a binding obligation on any Party until signatures of all other Parties have been delivered, and until all such Parties' signatures have been delivered any other Party may withdraw its signature by notice to the other Parties.

[Signature Page Immediately Follows]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

PURCHASER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**


**SAINT FRANCIS HOSPITAL VINITA,
INC.**

By: 
Name: Cecil Egnor
Title: Chairman, Board of Trustees

By: _____
Name: Jake Henry Jr.
Title: President and Chief Executive Officer

**ACKNOWLEDGED AND AGREED TO FOR PURPOSES
OF SECTION 7.10 HEREOF:**

CRAIG COUNTY HEALTHCARE FOUNDATION, INC.

By: 
Name: JACK LUGINBUEL
Title: CHAIRMAN

[Signature Page to Asset Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

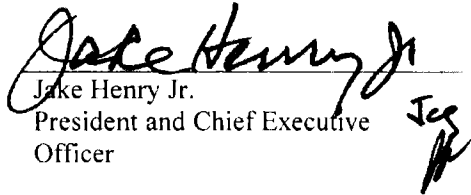
**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: Cecil Egnor
Title: Chairman, Board of Trustees

PURCHASER:

**SAINT FRANCIS HOSPITAL VINITA,
INC.**

By: _____
Name: Jake Henry Jr.
Title: President and Chief Executive
Officer



**ACKNOWLEDGED AND AGREED TO FOR PURPOSES
OF SECTION 7.10 HEREOF:**

CRAIG COUNTY HEALTHCARE FOUNDATION, INC.

By: _____
Name: _____
Title: _____

[Signature Page to Asset Purchase Agreement]

Appendix A

Definitions

As used in this Agreement, the term:

1. “403(b) Plan” shall have the meaning ascribed thereto in Section 7.2.7 hereof.
2. “Accounts Receivable” shall have the meaning ascribed thereto in Section **Error! Reference source not found.** hereof.
3. “Action” shall have the meaning ascribed thereto in Section 10.3.1 hereof
4. “Afton Clinic” shall have the meaning ascribed thereto in Recital B of this Agreement.
5. “Agreement” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.
6. “As Necessary” shall have the meaning ascribed thereto in Section 7.3.2 hereof.
7. “Assignment Agreement” shall have the meaning ascribed thereto in Section 2.4 hereof.
8. “Assumed Agreements” shall have the meaning ascribed thereto in Section 1.1.5 hereof.
9. “Assumed Contracts” shall have the meaning ascribed thereto in Section 1.1.5 hereof.
10. “Assumed Liabilities” shall have the meaning ascribed thereto in Section 2.1 hereof.
11. “Assumed Real Estate Leases” shall have the meaning ascribed thereto in Section 1.1.4 hereof.
12. “Bankruptcy Case” shall have the meaning ascribed thereto in Recital D of this Agreement.
13. “Bankruptcy Code” shall mean Title 11 of the United States Code, 11 U.S.C. §101 et seq.
14. “Bankruptcy Court” shall have the meaning ascribed thereto in Recital D of this Agreement.

15. “Bankruptcy Court Approval” shall have the meaning ascribed thereto in Section 4.3.10 hereof.
16. “Basket” shall have the meaning ascribed thereto in Section 10.4.5 hereof.
17. “Bill of Sale” shall have the meaning ascribed thereto in Section 2.4 hereof.
18. “Business” shall have the meaning ascribed thereto in Recital B of this Agreement.
19. “Business Balance Sheet” shall have the meaning ascribed thereto in Section 5.20 hereof.
20. “CGH” shall have the meaning ascribed thereto in Recital B of this Agreement.
21. “Claim Notice” shall have the meaning ascribed thereto in Section 10.3.1 hereof.
22. “Closing” shall have the meaning ascribed thereto in Section 4.1 hereof.
23. “Closing Date” shall have the meaning ascribed thereto in Section 4.1 hereof.
24. “Closing Statement” shall have the meaning ascribed thereto in Section 3.1.2 hereof.
25. “CMS” shall have the meaning ascribed thereto in Section 2.2.9 hereof.
26. “COBRA” shall have the meaning ascribed thereto in Section 5.17.3 hereof.
27. “Code” shall have the meaning ascribed thereto in Section 3.3 hereof.
28. “Confidential Information” shall have the meaning ascribed thereto in Section 7.3.1 hereof.
29. “Contracts” shall have the meaning ascribed thereto in Section 5.6 hereof.
30. “County” shall have the meaning ascribed thereto in Section 4.3.8 hereof.
31. “County Deed” shall have the meaning ascribed thereto in Section 8.1.3(a) hereof.
32. “County Property” shall have the meaning ascribed thereto in Section 4.3.8 hereof.
33. “Cure Amounts” shall have the meaning ascribed thereto in Section 2.3.3 hereof.
34. “Deed” shall have the meaning ascribed thereto in Section 2.4 hereof.
35. “DHHS” shall have the meaning ascribed thereto in Section 5.23 hereof.

36. “Effective Date” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.

37. “Effective Time” shall have the meaning ascribed thereto in Section 4.1 hereof.

38. “Environmental Laws” means, as amended and as now and hereafter in effect until Closing, all federal, state or local statutes, regulations, ordinances, and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations, and all common law concerning public health and safety, worker health and safety, pollution, or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any Hazardous Materials, noise or radiation, and including without limitation the Clean Air Act, as amended, the Clean Water Act, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Hazardous Materials Transportation Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Emergency Planning and Community Right-to-Know Act, as amended, and the Solid Waste Disposal Act, as amended.

39. “Environmental Liabilities” shall mean any and all liabilities, responsibilities, claims, suits, losses, costs (including remedial, removal, response, abatement, clean-up, investigative, or monitoring costs and any other related costs and expenses), other causes of action, damages, settlement, expenses, charges, assessments, liens, penalties, fines, pre-judgment and post-judgment interest, attorneys’ fees and other legal fees: (i) pursuant to any agreement, order, notice, responsibility, directive (including directives under the authority of Environmental Laws), injunction, judgment, or similar documents (including settlements), arising out of or in connection with any Environmental Laws, or (ii) pursuant to any claim by a Governmental Authority or other person for bodily injury, personal injury, property damage, damage to natural resources, remediation, or payment or reimbursement of response costs incurred or expended by the Governmental Authority or other person pursuant to Environmental Laws.

40. “ERISA” shall have the meaning ascribed thereto in Section 5.17.1 hereof.

41. “Excluded Assets” shall have the meaning ascribed thereto in Section 1.2 hereof.

42. “Excluded Liabilities” shall have the meaning ascribed thereto in Section 2.2 hereof.

43. “Foundation” shall have the meaning ascribed thereto in Section 7.10 hereof.

44. “Furniture and Equipment” means all furniture, fixtures, furnishings, machinery, appliances and other equipment (including medical equipment) and leasehold improvements owned by Seller, used by Seller in the conduct of the Business and located in the Ordinary Course of Business at the Leased Real Property, the Owned Real Property or the Separately Purchased Owned Real Property, including all such desks, chairs, tables, hardware, copiers, telephone lines, telecopy machines and other telecommunication equipment (and, to the extent

assignable by Seller, the telephone numbers associated therewith used in the Ordinary Course of Business), cubicles and miscellaneous office furnishings.

45. “Government Programs” shall have the meaning ascribed thereto in Section 5.12 hereof.

46. “Governmental Authority” shall mean any court or federal, state, county, municipal or other governmental entity, authority, department, commission, board, bureau, agency or instrumentality.

47. “Hazardous Materials” shall mean any pollutant, contaminant, chemical, substance, material, or waste that is regulated by any Governmental Authority under Environmental Laws, including any pollutant, contaminant, chemical, material, substance or waste that as defined as a “solid waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “special waste,” “contaminant,” “toxic waste,” or “toxic substance” under any provision of applicable Environmental Law, and including without limitation oil, used oil, petroleum, petroleum products and byproducts, asbestos, asbestos-containing materials, radon, mold, urea, formaldehyde, polychlorinated biphenyls, and nuclear materials.

48. “HIPAA” means the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act (“HITECH”), and regulations promulgated under HIPAA or HITECH by DHHS, as amended from time to time.

49. “Hospital Lease” shall have the meaning ascribed thereto in Section 4.3.8 hereof.

50. “Indemnified Party” shall have the meaning ascribed thereto in Section 10.3.1 hereof.

51. “Indemnifying Party” shall have the meaning ascribed thereto in Section 10.3.1 hereof.

52. “Inventory” shall have the meaning ascribed thereto in Section 1.1.2 hereof.

53. “Knowledge” with respect to Seller shall mean the actual knowledge, after due inquiry and investigation, of Jete Edmisson, Richard Wagner, , or of the officers and the trustees/directors of Seller.

54. “Law” means any domestic or foreign federal, state, provincial, local or municipal law, statute, code, ordinance, rule or principle of common law, regulation, Order or directive.

55. “Lease(s)” shall have the meaning ascribed thereto in Section 5.6 hereof.

56. “Leased Real Property” shall have the meaning ascribed thereto in Section 5.7 hereof.

57. “Lessor Leases” shall have the meaning ascribed thereto in Section 5.8 hereof.

58. “Liability” or “Liabilities” means any debt, liability or obligation of any nature, whether secured, unsecured, recourse, non-recourse, liquidated, unliquidated, accrued, absolute, fixed, contingent, ascertained, unascertained, known, unknown or otherwise.

59. “Liens” shall have the meaning ascribed thereto in Section 1.1 hereof.

60. “Material Adverse Change” shall have the meaning ascribed thereto in Section 5.15 hereof.

61. “Medicaid” shall have the meaning ascribed thereto in Section 5.13.1 hereof.

62. “Medicare” shall have the meaning ascribed thereto in Section 5.13.1 hereof.

63. “OPERS” shall have the meaning ascribed thereto in Section 2.2.3 hereof.

64. “Order” means any order, injunction, judgment, decree, ruling, consent, approval, writ, assessment or arbitration award of a Governmental Authority.

65. “Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Business through the date hereof consistent with past practice in substantially the same manner in which the Business was conducted during the period immediately preceding the Effective Date, subject, and, in respect of the period after the Petition Date, to those actions necessary and incident to the Bankruptcy Case.

66. “Other Schedules and Exhibits” shall have the meaning ascribed thereto in Section 4.4.3 hereof.

67. “Owned Real Property” shall have the meaning ascribed thereto in Section 5.8 hereof.

68. “Parties” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.

69. “Party” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.

70. “Permits and Registrations” shall have the meaning ascribed thereto in Section 5.11 hereof.

71. “Permitted Exceptions” shall have the meaning ascribed thereto in Section 5.4 hereof.

72. “Personal Property” shall have the meaning ascribed thereto in Section 1.1.1 hereof.

73. “Petition Date” shall have the meaning ascribed thereto in Recital D of this Agreement.

74. “Plan(s)” shall have the meaning ascribed thereto in Section 5.17.1 hereof.
75. “Plan of Liquidation” shall have the meaning ascribed thereto in Section 4.2.3 hereof.
76. “Proceeding” means any claim, action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.
77. “Property Purchase” shall have the meaning ascribed thereto in Recital F of this Agreement.
78. “PTO” shall have the meaning ascribed thereto in Section 2.2.6 hereof.
79. “Purchase Price” shall have the meaning ascribed thereto in Section 3.1.1 hereof.
80. “Purchased Assets” shall have the meaning ascribed thereto in Section 1.1 hereof.
81. “Purchaser” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.
82. “Purchaser Indemnitees” shall have the meaning ascribed thereto in Section 10.2.1 hereof.
83. “Real Property Permitted Exceptions” shall mean rights of parties in possession as tenants only under the Lessor Leases, ad valorem taxes for the year 2016, not yet due or payable and those additional matters set forth in the Title Commitments which Purchaser approves in writing pursuant to the terms of Section 11.1 hereof.
84. “Retiree Coverage Releases” shall have the meaning ascribed thereto in Section 7.2.9 hereof.
85. “RHCs” shall have the meaning ascribed thereto in Recital B of this Agreement.
86. “Schedules Delivery Date” shall have the meaning ascribed thereto in Section 4.4.1 hereof.
87. “Seller” shall have the meaning ascribed thereto in the introductory paragraph of this Agreement.
88. “Seller Cost Reports” shall have the meaning ascribed thereto in Section 7.11 hereof.
89. “Seller Indemnitees” shall have the meaning ascribed thereto in Section 10.2.2 hereof.

90. “Seller Permits and Registrations” shall have the meaning ascribed thereto in Section 5.11 hereof.

91. “Seller Retiree Coverage” shall have the meaning ascribed thereto in Section 7.2.9 hereof.

92. “Seller Schedules” shall have the meaning ascribed thereto in Section 4.4.1 hereof.

93. “Seller Staff” shall have the meaning ascribed thereto in Section 5.16.1 hereof.

94. “Seller’s Financial Statements” shall have the meaning ascribed thereto in Section 5.20 hereof.

95. “Seller’s Retained Books and Records” shall have the meaning ascribed thereto in Section 1.2.6 hereof.

96. “Separately Purchased Owned Real Property” shall have the meaning ascribed thereto in Recital F of this Agreement.

97. “Survey” shall mean a survey of each tract out of the Owned Real Property and the County prepared by a duly licensed surveyor acceptable to Purchaser, certified (after the Effective Date) in a manner acceptable to Purchaser and Title Company and prepared in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by the American Land Title Association (“ALTA”) and the National Society of Professional Surveyors (“NSPS”) and includes Items 1, 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10(a), 10(b), 11, 13, 14, 16, 17, 19, and 20 of Table A thereof.

98. “Tail Coverage” shall have the meaning ascribed thereto in Section 7.8 hereof.

99. “Taxes” shall have the meaning ascribed thereto in Section 5.14.1 hereof.

100. “Termination of Hospital Lease” shall have the meaning ascribed thereto in Section 4.3.8 hereof.

101. “Title Commitments” shall mean commitments to issue an owner policy of title insurance to be delivered by the Title Company on the County Property and the Owned Real Property.

102. “Title Company” shall mean Chicago Title Insurance Company, its successors and assigns.

103. “Title Policy” shall mean an ALTA Owner’s Policy of Title Insurance, issued by the Title Company to Purchaser in the amount designated by Purchaser, insuring that Purchaser has good, merchantable and indefeasible fee simple title to the Owned Real Property and the County Property, subject only to the Real Property Permitted Exceptions.

104. “Transaction Documents” shall have the meaning ascribed thereto in Section 5.2 hereof.

105. “Transfer Taxes” shall have the meaning ascribed thereto in Section 5.14.3 hereof.

106. “Transferring Seller Staff” shall have the meaning ascribed thereto in Section 7.2.1 hereof.

107. “Updated Seller Schedules” shall have the meaning ascribed thereto in Section 4.4.2 hereof.

108. “Vinita Clinic” shall have the meaning ascribed thereto in Recital B of this Agreement.

109. “Welch Clinic” shall have the meaning ascribed thereto in Recital B of this Agreement.

Execution Version

EXHIBIT 2.4.1

Assignment and Bill of Sale

Pursuant to that certain Asset Purchase Agreement dated September 22, 2016, (the “*Agreement*”), between SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation (“*Purchaser*”) and CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust (“*Seller*”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells to Purchaser all of Seller’s rights, titles and interests in and to the Purchased Assets (as defined in the Agreement) and does hereby transfer, convey, grant and assign to Purchaser, all of Seller’s right, title and interest in and to all of the Purchased Assets, free and clear of all Liens (as defined in the Agreement), except for Permitted Exceptions (as defined in the Agreement).

All of the terms and provisions of this Bill of Sale shall be binding upon the Seller and shall inure to the benefit of the respective successors and assigns of Purchaser.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Oklahoma.

This Bill of Sale is subject to and with the benefit of the respective representations, warranties, covenants, terms, conditions and other provisions of the Agreement.

At any time, or from time to time hereafter, Seller shall, at the request of Purchaser, take all action necessary to put Purchaser in actual possession and operating control of the Purchased Assets, and shall execute, acknowledge and deliver such further instruments of conveyance, sale, transfer and assignment, and take such other action as Purchaser may reasonably request in order more effectively to contribute, convey, sell, transfer and assign to Purchaser all of the Purchased Assets, to confirm the title of Purchaser thereto and to assist Purchaser in exercising rights with respect thereto.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Seller has caused this Assignment and Bill of Sale to be executed and delivered effective as of 12:00:01 a.m., Central Time, on _____, 2016.

SELLER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: _____
Title: _____

EXHIBIT 2.4.2

Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this “*Agreement*”) is made and entered into and effective as of _____, 2016, by and among SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation (“*Assignee*”), CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust (“*Assignor*”).

RECITALS

A. Assignor and Assignee have entered into that certain Asset Purchase Agreement (the “*Asset Purchase Agreement*”) dated as of September 22, 2016, pursuant to which Assignor agreed to sell, convey, transfer, assign and deliver unto Assignee all of Assignor’s rights, titles and interests in and to certain rights and assets of Assignor used or held for use in the operation of the Business, including the Assumed Agreements (as defined in the Asset Purchase Agreement) to which Assignor is a party.

B. In connection with the closing of the transactions contemplated by the Asset Purchase Agreement, Assignor desires to assign to Assignee all of Assignor’s rights, titles and interests in and to the Assumed Agreements and the Assumed Liabilities (as defined in the Asset Purchase Agreement), and Assignee desires to assume all of the duties, obligations and covenants arising under the Assumed Agreements and all of Assignor’s duties and obligations for the Assumed Liabilities after the Effective Time.

NOW, THEREFORE, in consideration of the terms and conditions and the representations and warranties herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I.
DEFINED TERMS**

Capitalized terms not otherwise defined in this Agreement shall have the definitions given to them in the Asset Purchase Agreement.

**ARTICLE II.
TRANSFER AND ASSIGNMENT**

A. Transfer and Assignment. Assignor does hereby grant, sell, assign, transfer and set over unto Assignee, effective as of 12:00:01 a.m., Central Time, on _____, 2016, all of Assignor’s rights, title and interest in and to the Assumed Agreements and Assumed Liabilities.

B. Assumption of Obligations. Assignee hereby accepts the assignment from Assignor of the Assumed Agreements and Assumed Liabilities, and assumes and agrees to pay, perform and/or discharge the liabilities and obligations of Assignor arising after the Effective Time under the Assumed Agreements and Assumed Liabilities, except for liabilities and

obligations arising out of any performance obligation or breach thereof under any Assumed Agreements or Assumed Liabilities prior to the Effective Time.

ARTICLE III. MISCELLANEOUS

C. Cooperation. Assignee and Assignor agree to execute such other documents and take such other actions as may be reasonably necessary or desirable to confirm or effectuate the assignments and assumptions contemplated hereby.

D. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of each party hereto.

E. Notices. All notices and other communications required or permitted to be given under this Agreement shall be given pursuant to the applicable notice provisions set forth in the Asset Purchase Agreement.

F. Waiver. Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof, but only by a written notice signed by the party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement.

G. Amendment. This Agreement may be amended, supplemented or modified at any time, but only by a written instrument duly executed by Assignor and by Assignee.

H. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed, construed and enforced in accordance with the laws of the State of Oklahoma.

I. Partial Invalidity. If any one or more of the provisions of this Agreement or any application thereof shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement and any other application thereof shall not in any way be affected or impaired thereby; provided, however, that to the extent permitted by applicable law, any invalid, illegal or unenforceable provision may be considered for the purpose of determining the intent of the parties in connection with the other provisions of this Agreement.

J. Conflict; Inconsistency. To the extent any conflict or inconsistency exists between the provisions of this Agreement and the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall be controlling. The terms and provisions of the Asset Purchase Agreement (including, without limitation, the representations, warranties and covenants therein) shall not merge, be extinguished or otherwise affected by the delivery and execution of this Agreement or any other document delivered pursuant to this Agreement.

K. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures.

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Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement shall not constitute a binding obligation on any party until signatures of all other parties have been delivered, and until all such parties' signatures have been delivered any other party may withdraw its signature by notice to the other parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ASSIGNOR:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: _____
Title: _____

ASSIGNEE:

**SAINT FRANCIS HOSPITAL VINITA,
INC.**

By: _____
Name: Jake Henry Jr.
Title: President and Chief Executive
Officer

EXHIBIT 2.4.3

Form of Special Warranty Deed

Upon recordation, return to:

THIS INDENTURE, made this _____ day of _____, 2016, between CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("Grantor"), and SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("Grantee").

WITNESSETH, that in consideration of the sum of Ten and no/100 Dollars (\$10.00), receipt of which is hereby acknowledged, Grantor does, by these presents, grant, bargain, sell and convey unto Grantee, its successors and assigns, (a) that certain real estate, situated in City of _____, County of _____, State of Oklahoma, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"); (b) all buildings and structures, together with all improvements situated on the Land and all fixtures and other property permanently affixed thereto (collectively, the "Improvements"); and (c) all other rights and appurtenances pertaining to the Land or the Improvements. The Land and Improvements, together with any and all of the related rights and appurtenances being herein collectively referred to as the "Property."

TO HAVE AND TO HOLD the same, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining forever.

And said Grantor, and for its successors and assigns, does hereby covenant, promise and agree to and with Grantee, at the delivery of these presents, that it is lawfully seized in its own right of an absolute and indefeasible estate of inheritance in fee simple, of and in, all and singular, the above granted and described Property, with appurtenances; that the same are free, clear and discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances of whatsoever nature and kind, **EXCEPT**: Those matters set out on Exhibit "B" which is attached hereto and made a part hereof; and that Grantor will **WARRANT AND FOREVER DEFEND** the same unto Grantee, its successors and assigns, against Grantor, its successors and assigns, and all and every person or persons whomsoever lawfully claiming, or to claim the same, by, through and under Grantor.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed the day and year first above written.

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: _____
Title: _____

STATE OF OKLAHOMA)
) ss
COUNTY OF _____)

 This instrument was acknowledged before me on this _____ day of _____, 2016,
by _____ as _____ of CRAIG COUNTY HOSPITAL AUTHORITY,
an Oklahoma public trust.

Commission Expires: _____

Commission No.: _____

Notary Public

EXHIBIT "A" TO SPECIAL WARRANTY DEED

(Legal Description)

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EXHIBIT "B" TO SPECIAL WARRANTY DEED

(Permitted Exceptions)

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EXHIBIT 2.4.4

Intentionally Omitted

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SCHEDULE 5.8

Description of Owned Real Property

Description of Owned Real Property

HOSPITAL TRACT:

Lots 1, 2, 3, 4, 5, 6, 19, 20, 21, 22, 23, and 24 in Block 4, Fairview Phillips Addition to the City of Vinita, Craig County, Oklahoma, being the same property conveyed to The Board of County Commissioners of the County of Craig, State of Oklahoma by Warranty Deed recorded in Book 243, Page 263 in the office of the County Clerk of Craig County, Oklahoma.

VINITA MEDICAL OFFICE TRACT:

Lots 9, 10, 11, 12, 13, 14, 15 and 16, Block 4, in Fairview Phillips Addition to the City of Vinita, Oklahoma, according to the recorded plat thereof on file and of record in the office of the County Clerk of Craig County, Oklahoma, being the same property conveyed to The Board of County Commissioners, County of Craig, State of Oklahoma by Warranty Deed L 1982 77777, Book LR 326, Page 690 in the office of the County Clerk of Craig County, Oklahoma.

VINITA BUILDINGS TRACTS:

709 N. Brewer Tract:

Lot 9, Block 9, In FAIRVIEW PHILLIPS ADDITION, an Addition to the City of Vinita, Oklahoma, according to the recorded Plat thereof, being the same property conveyed to Craig County Hospital Authority doing business as Craig General Hospital by Warranty Deed 116353, Book 431, Page 575 in the office of the County Clerk of Craig County, Oklahoma.

715 N. Brewer Tract:

Lots 6, 7 and 8, in Block 9, in Fairview Phillips Addition to the City of Vinita, Oklahoma, according to the recorded plat thereof, being the same property conveyed to Craig County Hospital Authority d/b/a Craig General Hospital by Warranty Deed 116147, Book 431, Page 217 in the office of the County Clerk of Craig County, Oklahoma.

495 W. Hope Avenue Tract:

All that part of the North Half of the Northeast Quarter (N/2 NE/4) of Section Fifteen (15), Township Twenty-five (25) North, Range Twenty (20) East of the Indian Base and Meridian, more particularly described as follows, to-wit:

Commencing at the intersection of the Westerly boundary line of Scraper Street, City of Vinita., if extended, and the North section line of Section Fifteen (15), Township Twenty-five (25) North, Range Twenty (20) East in Hope Avenue;

Thence Westerly on the North section line of Section 15, 1255.22 feet;

Thence South 225.00 feet;

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Thence West 101.50 feet;
Thence North 225.00 feet;
Thence East 101.50 feet to the Point of Beginning, being the same property conveyed to Craig County Hospital Authority by Warranty Deed I-2005-15493, Book 0544, Page 543 in the office of the County Clerk of Craig County, Oklahoma.

Execution Version

PURCHASE AND SALE CONTRACT

(Undeveloped Land owned by Craig County Hospital Authority)

THIS PURCHASE AND SALE CONTRACT ("**Contract**") is made and entered into as of the 22nd day of September, 2016 ("**Effective Date**"), by and between **SAINT FRANCIS HOSPITAL VINITA, INC.**, an Oklahoma nonprofit corporation, or its designee ("**Buyer**") and **CRAIG COUNTY HOSPITAL AUTHORITY**, an Oklahoma public trust ("**Seller**").

RECITALS:

A. Seller is the owner of certain unimproved real property located in the City of Vinita and unincorporated land adjacent thereto, County of Craig, State of Oklahoma, as herein defined and described with more particularity.

B. Buyer desires to purchase such real property and all improvements thereon and Seller desires to sell the same to Buyer all upon the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of their mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **DEFINITION OF TERMS.** In addition to any other terms defined herein or in the Asset Purchase Agreement, the following terms shall have the following meanings when used herein:

A. **Assumed Contracts.** The term "**Assumed Contracts**" shall have the meaning set forth in the Asset Purchase Agreement.

B. **Asset Purchase Agreement.** The term "**Asset Purchase Agreement**" shall mean that certain Asset Purchase Agreement dated September 22, 2016, by and between Buyer and Seller covering certain assets of Seller.

C. **Buyer.** The term "**Buyer**" shall mean Saint Francis Hospital Vinita, Inc., an Oklahoma nonprofit corporation, or its designee.

D. **Closing.** The term "**Closing**" shall mean the consummation and settlement of the transaction contemplated hereby.

E. **Closing Date.** The term "**Closing Date**" shall mean September 30, 2016, or such other date as the parties may mutually agree in writing. For clarity, all closing documents and funds will be delivered to the Escrow Agent one business day prior to the

Closing Date for a paper closing with recording and disbursements to occur on the Closing Date.

F. Commitment. The term "**Commitment**" shall mean a written ALTA Commitment for title insurance issued by the Title Company to Buyer, in the amount of the Purchase Price, covering the Property, evidencing the agreement of the Title Company to issue the Title Policy to Buyer. The Commitment shall reflect, inter alia: (i) that good and marketable fee simple title to the Property is vested in Seller; (ii) all exceptions to title, but excluding the Excluded Exceptions; (iii) all requirements made by the Title Company, which if not satisfied, shall constitute exceptions to the coverage of the Title Policy; and (iv) legible photocopies of all documents referred to in the Commitment.

G. Contract. The term "**Contract**" shall mean this Purchase and Sale Contract.

H. Deeds. The term "**Deed**" shall mean the Special Warranty Deed duly executed and acknowledged by Seller, conveying good and marketable fee simple title to the Property to Buyer, subject only to Permitted Exceptions, in the form of **Exhibit "A"** attached hereto.

I. Effective Date. The term "**Effective Date**" shall mean the date set forth above.

J. Escrow Agent. The term "**Escrow Agent**" shall mean Chicago Title Oklahoma, 210 Park Avenue, Suite 210 Oklahoma Tower, Oklahoma City, Oklahoma, 73102, telephone number: (405) 810-2445 and facsimile number: (405) 840-5727, Attention: Ms. Andrea McAlister.

K. Excluded Exceptions. The term "**Excluded Exceptions**" collectively shall mean and Seller shall (i) satisfy any mortgage or deed of trust placed on the Property, (ii) cause the removal of mechanic's or other monetary liens encumbering the Property, and (iii) cause the removal of any exception arising from the acts or omissions of Seller.

L. Permitted Exceptions. The term "**Permitted Exceptions**" shall expressly exclude the Excluded Exceptions and shall mean and include the following:

- (1) Rights or claims of parties in possession as tenants only under the any Approved Leases;
- (2) Ad valorem taxes for the year 2016, not yet due or payable, to the extent that any part of the Property is not exempt from taxation; and
- (3) All those additional matters set forth in the Commitment which Buyer approves in writing.

M. Property. The term "**Property**" shall mean the real property located in the City of Vinita and unincorporated land adjacent thereto, County of Craig, State of

Oklahoma as more particularly described by tract in **Exhibit "A"** attached hereto and made a part hereof for all purposes, together with all (i) buildings, structures, fixtures and improvements thereon, (ii) hereditaments and appurtenances thereunto belonging, (iii) easements, rights of way and rights of ingress and egress benefiting the same which are incidental to, located on or used in connection with the operation of the above real property, (iv) licenses, permits and utility capacity (if and to the extent that Buyer elects to accept assignment thereof), if any, relating to the ownership or operation of the Property (but not related to medical services); and (v) the interest of the lessor or landlord under all Approved Leases, together with all prepaid rents, security deposits and other deposits made by the tenants under the Approved Leases. The Property shall not include tangible personal property owned by Seller and attached to or used in connection with the ownership, maintenance, use, service or operation of the Property which will be conveyed with the closing of the Asset Purchase Agreement.

N. Purchase Price. The term "**Purchase Price**" shall mean the sum of Two Million and no/100 Dollars (\$2,000,000.00), being paid by Buyer to Seller for the Property.

O. Seller. The term "**Seller**" shall mean Craig County Hospital Authority, an Oklahoma public trust.

P. Survey. The term "**Survey**" shall mean the ALTA/NSPS Land Title Survey prepared by Dodson-Thompson-Mansfield, PLLC, last revised August 10, 2016.

Q. Title Company. The term "**Title Company**" shall mean Chicago Title Insurance Company, its successors and assigns, issued through the Escrow Agent.

R. Title Policy. The term "**Title Policy**" shall mean an ALTA Owner's Policy of Title Insurance, issued by the Title Company to Buyer in the amount of the Purchase Price, insuring that Buyer has good, merchantable and indefeasible fee simple title to the Property, subject only to Permitted Exceptions

2. PURCHASE AND SALE. In consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees to sell the Property to Buyer and Buyer hereby agrees to purchase the Property from Seller, all pursuant to the terms and conditions herein contained. At the Closing, Seller shall convey good and marketable fee simple title to the Property, subject only to the Permitted Exceptions, to Buyer, by the Deeds, upon Buyer's payment of the Purchase Price, as set forth herein.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price, subject to any adjustments or prorations as herein provided, shall be paid by Buyer to Seller at Closing by confirmed wire transfer of immediately available funds.

4. CONDITIONS PRECEDENT. The obligations of Buyer under this Contract, at the option of Buyer, shall be subject to the satisfaction on the Closing Date of the following conditions: (a) there shall be no party in possession of the barn and the house located on the Property at Closing which Buyer shall confirm during an inspection of the Property on or before the Closing Date; and (b) the County (as defined in the Asset Purchase Agreement) shall have taken all requisite action, as determined by Buyer in Buyer's sole discretion, to authorize the gift of the County Property to Seller and to enter into the Termination of Hospital Lease (as defined in the Asset Purchase Agreement).

5. ACCESS. Seller shall give Buyer and Buyer's agents and representatives access to the Property during normal business hours at all times prior to Closing. Buyer and Buyer's agents and representatives shall have the right to physically inspect the Property and to conduct any test or other inspection deemed necessary by Buyer. Buyer shall repair any physical damage done to the Property by Buyer or its agents and indemnify, and defend and hold Seller harmless from and against any mechanic's liens that may be filed or asserted against the Property or Seller by Buyer's agents or representatives performing such inspections for Buyer.

6. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER AND BUYER. The representations, warranties and covenants of Seller and Buyer set forth in the following sections of the Asset Purchase Agreement are incorporated herein by this reference with respect to the Property: Section 3.4, 4.2.1, 4.3.1, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.9, 4.3.12, 4.3.13, 5.1-5.19, 5.21, 5.22, 5.25, Article VI, 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, Article IX, 11.2 as to the Leases, 12.11, 12.12, and these provisions shall survive the closing: 5.1-5.19, 5.21, 5.22, 5.25, Article VI, 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 12.11, 12.12. Further Seller warrants, represents and covenants to Buyer as follows:

A. Liens. As of the Closing, there shall be no outstanding contracts made by Seller for any improvements to the Property which have not been fully performed and paid and Seller shall pay or statutorily discharge all mechanic's or materialman's liens arising from any labor performed or materials furnished to the Property on or prior to the Closing.

B. IRC § 1445. Seller is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e., Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and regulations promulgated thereunder).

C. Covenants. During the term of this Contract, Seller shall, at Seller's sole cost and expense:

(i) not cause the condition of title to be changed from that as stated in the Commitment and Survey;

(ii) not, without express prior written approval of Buyer which may be withheld in Buyer's sole discretion enter into any leases which would continue for a period subsequent to the Closing Date ("**Approved Lease**"), From and after the Effective Date, Seller shall keep Buyer promptly informed of any negotiations

regarding any leases or any proposed renewals, amendments or modifications of any leases. Seller shall perform and discharge its obligations due prior to Closing under any Approved Leases;

(iii) Seller will not remove or authorize the removal of any personal property or fixtures forming part of the Property unless the same is replaced, prior to Closing, with similar items of at least equal suitability, quality and value, free and clear of any liens and security interests, and Seller shall not make any material alterations to any portion of the Property;

(iv) Seller will maintain in full force and effect fire and extended or all-risk or special form property coverage insurance upon the Property and commercial general liability insurance with respect to damage or injury to persons or property occurring on the Property in such amount as is maintained by Seller on the Effective Date;

(v) Seller will advise Purchase promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has received actual knowledge or written notice;

(vi) Seller will not seek any zoning changes or take any action which encumbers Seller's title to the Property without Buyer's prior written consent which may be withheld in Buyer's sole discretion;

(vii) Seller will not, after the Effective Date without the prior written consent of Buyer, (1) create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Property which are not delinquent), encumbrance, charge, or conditional sale or other title retention document, against the Property, or any part thereof, other than the Permitted Exceptions, (2) impose any restrictive covenants or encumbrances on the Property, or (3) sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Property or any interest therein, or permit any of the foregoing during the term of this Contract; and

(viii) Seller will pay on or before the Closing Date all bills and invoices for labor performed or materials furnished to Seller for the benefit of the Property and relating to any period prior to the Closing.

The above warranties and representations of Seller are true and correct as of the Effective Date and shall be true and correct as of the Closing.

7. Intentionally Omitted.

8. Intentionally Omitted.

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9. Intentionally Omitted.

10. CLOSING.

A. Closing Date. The Closing shall take place in escrow on the Closing Date at the offices of the Escrow Agent.

B. Seller's Obligations. At Closing, Seller shall, as a condition precedent to Buyer's obligations hereunder:

(1) Execute and deliver the Deed to Buyer in the form of **Exhibit "B"** attached hereto, subject only to the Permitted Exceptions and taxes for the year of Closing, payment of which shall be prorated as herein set forth.

(2) Deliver to Buyer the abstract of title covering the Property.

(3) Execute and deliver to Buyer and the Title Company an Affidavit, in a form and content acceptable to Buyer and the Title Company, evidencing that all sums for labor and/or materials performed and/or furnished to the Property have been paid in full and that there is nothing from which a material or mechanic's lien could arise.

(4) Execute and deliver to Buyer the Affidavit required by Internal Revenue Code Sections 1445 and 7701, in the form of **Exhibit "C"** attached hereto.

(5) Cause the Title Company to issue the Title Policy at Seller's cost.

(6) Execute and/or deliver any and all other instruments, documents and conveyances reasonably necessary to effectuate the terms of this Contract.

(7) Seller will deliver to Buyer originals or copies of all licenses, permits and governmental certificates and approvals relating to the Property.

(8) Seller shall execute, along with Buyer, and send letters to the utility companies advising of the change of ownership of the Property and an assignment to Buyer of all utility capacity (if any) allocated to the Property.

(9) Seller shall deliver to Buyer any applicable notice of restrictions required by statute or ordinance, and Buyer shall sign to acknowledge receipt thereof.

The instruments referenced above in clause (1) shall be referred to herein as the "Conveyance Documents."

C. Buyer's Obligations. At Closing, and as a condition precedent to Seller's obligations hereunder, Buyer shall:

(1) Pay and deliver the Purchase Price to Seller.

(2) Execute and deliver any and all other instruments, documents and other items reasonably necessary to effectuate the terms of this Contract.

D. Closing Costs. Closing costs and other expenses incidental to this Contract shall be paid as follows:

(1) All costs regarding the Survey, Commitment and Title Policy, including, but not limited to, title examination fees, title abstracting and title insurance premiums, shall be paid by Seller.

(2) All costs regarding documentary stamps as a result of this transaction and any sales taxes due and owing the State of Oklahoma shall be paid by Seller.

(3) The escrow fee charged by the Escrow Agent shall be split equally and paid by Buyer and Seller on an equal basis.

(4) Each party shall bear and pay their own respective attorneys' fees and other costs not herein enumerated incurred by each party with respect to this transaction.

(5) General ad valorem taxes and assessments for the calendar year of Closing, if any, shall be prorated to the Closing, with the Buyer paying taxes for the date of Closing and following Closing and Seller paying for the period prior to Closing. If such proration is based upon information for any year other than the year in which the Closing occurs, the parties shall re-prorate such taxes and assessments within thirty (30) days after the current year's information becomes available, and any appropriate adjustments shall be made, in cash, outside of escrow.

(6) Utility charges shall be prorated as of the Closing, provided, however, Seller shall attempt to obtain a final reading prior to Closing and pay the final billings directly to the appropriate utility companies. Seller shall receive from the appropriate utility companies any and all deposits made by Seller with respect to such utilities.

(7) All income and expenses attributable to the use and operation of the Property shall be prorated and apportioned between Buyer and Seller as set forth in Section 3.2 of the Asset Purchase Agreement. The provisions of this Paragraph 10.D.(7) shall survive the Closing.

11. Intentionally Omitted.

12. DEFAULTS AND REMEDIES.

A. Seller's Remedies. In the event of a default under the terms and conditions of this Contract by Buyer, Seller's sole remedy shall be to terminate this Contract and Seller hereby specifically waives all rights to recover any monetary damages or other remedies it may have at law or in equity as a result of any breach of this Contract. The parties hereby acknowledge the unique nature of the property involved herein. Buyer shall not be deemed to be in default hereunder unless and until Seller provides Buyer with notice in writing specifying the default and Buyer fails to cure the default specified in said notice within five (5) days after receipt of such notice.

B. Buyer's Remedies. In the event of a default under the terms and conditions of this Contract by Seller, Buyer shall have the option to either terminate this Contract, or Buyer shall be entitled the remedy of specific performance, and in either of said events, Buyer may recover damages, to the extent same are properly recoverable under applicable law, in the amount of any and all costs and expenses incurred by Buyer in negotiating this Contract, in inspecting and in analyzing the Property, and otherwise in attempting to perform its rights and duties under this Contract. Buyer hereby specifically waives all rights to recover any other monetary damages it may have as a result of any breach of this Contract. The parties hereby acknowledge the unique nature of the property involved herein. Seller shall not be deemed to be in default pursuant to the terms of this Contract unless and until it has received written notice from Buyer specifying such default and Seller fails to cure such default within five (5) days after receipt of such notice specifying said default.

C. Attorneys' Fees and Costs. If, as a result of a default under this Contract, either Seller or Buyer employs an attorney to enforce its rights, the defaulting party shall, unless prohibited by law, reimburse the non-defaulting party for all reasonable attorneys' fees, court costs and other legal expenses incurred by the non-defaulting party in connection with the default.

13. INDEMNIFICATION. Article 10 of the Asset Purchase Agreement is incorporated into this Contract by this reference.

14. CONDEMNATION AND CASUALTY. The following provisions shall be applicable with respect to condemnation and casualty:

A. Condemnation. In the event that all or any part of the Property is condemned or taken by eminent domain after the Effective Date and before the Closing, Buyer may, at its option, either: (i) terminate this Contract by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the condemnation; or (ii) proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event, Seller shall deliver to Buyer, at the Closing, any proceeds actually received by Seller or rights to condemnation proceeds attributable to the Property from such condemnation or eminent domain proceeding, and there shall be no reduction in the Purchase Price. In the event Buyer fails to timely deliver written notice of termination as described in (i) above, Buyer shall be deemed to have elected to proceed in accordance with (ii) above.

B. Casualty. In the event that all or any "substantial portion" of the Property shall be damaged or destroyed by fire or other casualty after the Effective Date and before the Closing, Buyer may, at its option, either: (i) terminate this Contract by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the casualty; or (ii) proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Seller shall deliver to Buyer, at the Closing, any insurance proceeds actually received by Seller attributable to the Property from such casualty, or obtain the approval of Seller's insurer, if necessary, and assign to Buyer all of Seller's right, title and interest in any claim under any applicable insurance policies in respect of such casualty, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies), and there shall be no reduction in the Purchase Price. Provided, that if Seller's insurance does not cover or is insufficient to fully pay for such casualty, Seller shall pay to Buyer, at Closing, the amount required to repair all damages, as estimated by a third party contractor selected by Buyer, caused by such casualty and not covered or fully paid for by Seller's insurance. In the event Buyer fails to timely deliver written notice of termination as described in clause (i) above, Buyer shall be deemed to have elected to proceed in accordance with clause (ii) above. If the casualty loss does not involve a "substantial portion" of the Property, as defined herein, then Buyer shall be obligated to close the transaction contemplated herein according to the terms hereof, notwithstanding such casualty loss, provided that Seller shall, at Buyer's election: (i) pay to Buyer the amount, as estimated by a third party contractor selected by Buyer, required to repair all damages caused by such casualty loss if the same cannot be repaired prior to Closing; (ii) repair the damages caused by such casualty loss prior to Closing, at Seller's expense if the same can be repaired prior to Closing; or (iii) deliver or assign to Buyer, at Closing, any and all insurance proceeds or rights to proceeds attributable to such casualty loss, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies), and there shall be no reduction in the Purchase Price. In the event Buyer elects option (iii) above, Seller shall obtain the approval of Seller's insurer to such assignment, if necessary, prior to Closing. For the purposes hereof, a "substantial portion" of the Property shall be deemed to include any casualty loss which is equal to or greater than Fifty Thousand and no/100 Dollars (\$50,000.00). In the event the Property is damaged prior to Closing and such damage creates an emergency requiring immediate repair in order to prevent further damage to the Property, Seller may repair such damage. Casualty proceeds, if any, paid as a result of damage requiring immediate repair shall be used in paying the cost of such repairs.

15. MISCELLANEOUS.

A. Assignment. This Contract may be assigned if the Asset Purchase Agreement is assigned and this Contract otherwise may not be assigned by Buyer without the express prior written consent of Seller which consent shall not be unreasonably withheld; provided, however, Buyer shall have the right to have Buyer's designee assume this Contract without the prior written consent of Seller upon giving Seller prior written notice.

B. Notices. Any notices or other communications required or contemplated under the provisions of this Contract shall be in writing and (a) delivered in person, evidenced by a signed receipt; (b) mailed by certified mail, return receipt requested, postage prepaid and deposited with the United States Postal Service; (c) sent by FedEx or other nationally recognized overnight courier; or (d) sent by facsimile, provided duplicate notice is also delivered by the method listed in (a), (b) or (c), to the Parties at the addresses indicated below or to such other persons or addresses as a Party may provide by written notice to the other. The date of notice shall be the date of delivery if the notice is personally delivered, or the date of mailing if the notice is mailed by certified mail, the date of delivery to the overnight courier or the date facsimile transmission confirmation is received.

If to Buyer: Saint Francis Health System, Inc.
6161 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 494-8453 (FAX)
Attention: Attn: President and Chief
Executive Officer

With a copy to: Saint Francis Hospital System, Inc.
6161 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 494-2475 (FAX)
Attention: Jeffrey C. Sacra, Esq.

If to Seller: Craig County Hospital Authority
First National Bank, Vinita
102 West Illinois
Vinita, Oklahoma 74301
ATTENTION: James N. Ratcliff
(918) 256-7855 (FAX)

With a copy to: LOGAN & LOWRY, LLP
101 S. Wilson Street
Vinita, Oklahoma 74301
ATTENTION: Thomas J. McGeady, Esq.
(918) 256-3187 (FAX)

From time to time, either party may designate another address or facsimile telephone number for all purposes of this Contract by giving to the other party not less than five (5) days advance written notice of such change of address or facsimile telephone number in accordance with the provisions hereof. The failure or refusal of a party to accept receipt of a notice hereunder shall in no manner invalidate the notice.

C. Entire Agreement. This Contract and the Asset Purchase Agreement constitutes the entire agreement between Seller and Buyer with respect to the Property, supersedes all prior written or oral agreements between Seller and Buyer with respect

thereto, and may not be modified or amended except by an instrument in writing signed by Seller and Buyer. Nothing contained in this Contract shall be deemed to modify the Asset Purchase Agreement. In the event of a conflict between this Contract and the Asset Purchase Agreement with respect to the Property, this Contract shall control.

D. Risk of Loss. Until Closing or transfer of possession, risk of loss to the Property, ordinary wear and tear excepted, shall be upon Seller and after Closing or transfer of possession, risk of loss shall be upon Buyer.

E. Possession. Possession, subject to the rights of tenants under any Approved Leases and the Permitted Exceptions, shall be transferred from Seller to Buyer at Closing.

F. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma. Further, this Contract shall be construed as having been drafted by both of the parties hereto, and not by one party to the exclusion of the other.

G. No Merger. Any covenant, agreement or indemnity herein which contemplates performance after the time of Closing, and all warranties and representations, shall not be deemed to be merged into or waived by the closing instruments but shall expressly survive and be binding upon the parties obligated thereby. Neither Seller nor Buyer has made any representations or warranties to the other regarding this transaction except as set forth herein. At the request of either party, the other party shall deliver, at Closing a certificate confirming the provisions of this Paragraph.

H. Headings. The headings used herein are for convenience only and shall not be used in interpreting this Contract.

I. Binding Effect. This Contract shall be binding upon Seller and Buyer and their respective successors, heirs, legal representatives and assigns.

J. Multiple Counterparts. This Contract may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures. Notwithstanding the foregoing, the Parties acknowledge and agree that this Contract shall not constitute a binding obligation on any Party until signatures of all other Parties have been delivered, and until all such Parties' signatures have been delivered any other Party may withdraw its signature by notice to the other Parties.

K. Further Actions. The Seller and Buyer each agree to take such further actions and execute and deliver such further documents as may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

L. Partial Invalidity. If any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect,

such invalidity, illegality or unenforceability shall not affect any of the other provisions hereof, and this Contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

M. Escrow Instructions. Buyer and Seller agree to execute any reasonable and necessary escrow instructions as may be required by the Escrow Agent, provided however, that neither the escrow instructions nor the acts or actions of the parties in executing the same shall supersede or be construed as superseding this Contract, but such escrow instructions shall be deemed as merely supplemental to this Contract and a means of carrying out and consummating this Contract.

O. Closing. The following schedules or exhibits are attached hereto and shall be deemed to be incorporated herein by reference:

- (1) Exhibit "A" - Legal Descriptions;
- (2) Exhibit "B" – Form of Special Warranty Deed; and
- (3) Exhibit "C" – Form of FIRPTA Affidavit.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date set forth below their respective signatures.

SELLER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: 

Name: Cecil Egnor

Title: Chairman, Board of Trustees

BUYER:

**SAINT FRANCIS HOSPITAL VINITA,
INC., an Oklahoma nonprofit corporation**

By: _____

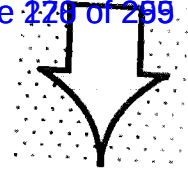
Name: Jake Henry Jr.

Title: President and Chief Executive Officer

Signature Page to Land Purchase Contract

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IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date set forth below their respective signatures.

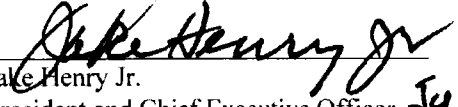
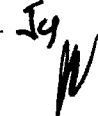
SELLER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: Cecil Egnor
Title: Chairman, Board of Trustees

BUYER:

**SAINT FRANCIS HOSPITAL VINITA,
INC., an Oklahoma nonprofit corporation**

By: 
Name: Jake Henry Jr.
Title: President and Chief Executive Officer 

Signature Page to Land Purchase Contract

Chicago Title Oklahoma hereby acknowledges receipt of a fully executed copy of this Contract, and agrees to act as Escrow Agent in accordance with the terms and conditions herein set forth.

Chicago Title Oklahoma,
an Oklahoma _____

By: Andrea McAlister
Name: Andrea McAlister
Title: Exec. Vice President

Date: September 23, 2016

EXHIBIT "A"

(Legal Description of the Property)

Tract 1

A tract of land lying in the Southwest Quarter of Section Twenty-three (23), Township Twenty-five (25) North, Range Twenty (20) East of Indian Meridian, Craig County, State of Oklahoma, more particularly described as follows:

Commencing at the Southwest corner of said Section, thence North 01°38'23" West along the West line of the SW/4 of said Section a distance of 656.64 feet to the Point of Beginning; thence North 01°38'23" West a distance of 800.71 feet to the South line of Wal-Mart property as described in Deed recorded in Book 497 at Page 643 of the Craig County, Oklahoma records; thence North 88°21'37" East a distance of 1464.07 feet along said South line; thence South 40°08'44" East a distance of 182.63 feet; thence North 88°19'11" East a distance of 321.72 feet to the Westerly right of way line of U.S. Highway #66; thence South 27°01'47" East a distance of 78.24 feet along said right of way line to the Northwestern right of way line of the Will Rogers Turnpike; thence South 45°35'53" West a distance of 264.63 feet along said right of way line; thence Southwesterly along a curve to the right having a radius of 17039.00 feet (said curve subtended by a chord which bears South 48°23'03" West a distance of 1656.92 feet) an arc distance of 1657.57 feet along said right of way line; thence South 88°23'24" West a distance of 155.79 feet; thence North 02°07'21" West a distance of 657.54 feet; thence South 89°28'04" West a distance 343.60 feet to the Point of Beginning; LESS AND EXCEPT a tract of land lying in the W/2 SW/4 SW/4 SW/4; AND LESS AND EXCEPT a 75 feet x 75 feet Lease Area, as filed in Craig County Courthouse, Book 506 at Page 349.

Tract 2

A tract of land lying in the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of Section Twenty-three (23), Township Twenty-five (25) North, Range Twenty (20) East of Indian Meridian, Craig County, State of Oklahoma, more particularly described as follows, to-wit: From the Southwest Corner of said SW/4 NE/4 SW/4 go North 89°55' East on and along the South boundary thereof a distance of 258.93 feet to the POINT OF BEGINNING; thence North 18°34' East go 247.0 feet; thence South 78°26' East go 145.2 feet to the Southwesterly Right of Way of U.S. Highway 66; thence Northwesterly on a curve to the left having a radius of 1834.86 feet, go on and along said Right of Way a distance of 186.1 feet; thence radial to said curve go 5.0 feet; thence Northwesterly on a curve to the left having a radius of 1829.86 feet go on and along said Right of Way a distance of 97.68 feet; thence South 56°52' West go 50.1 feet; thence South 72°11' West go 177.9 feet; thence South 21°25' West go 23.0 feet; thence South 86°34' West go 104.6 feet to a point on the West boundary of said SW/4 NE/4 SW/4; thence South 38°15' East go 417.7 feet to the Point of Beginning.

Tract 3

A tract of land lying in the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of Section Twenty-three (23), Township Twenty-five (25) North, Range Twenty (20) East of Indian Meridian, Craig County, State of Oklahoma, according to the United States Government

36374448.4

Survey thereof, more particularly described as follows, to-wit: From the Southwest Corner of said SW/4 NE/4 SW/4 go North 89°55' East on and along the South boundary thereof a distance of 258.93 feet to the POINT OF BEGINNING; thence continuing on the bearing of North 89°55' East on said South boundary a distance of 319.03 feet to a point on the Westerly Right of Way line of U.S. Highway No. 66; thence Northwesterly on and along said Right of Way line go 111.5 feet to a point of curvature; thence continuing Northwesterly along a curve to the left with a radius of 1834.80 feet and along said Right of Way line go 103.8 feet; thence North 78°26' West go 145.2 feet; thence South 18°34' West go 247.0 feet to the Point of Beginning.

Tract 4

A tract, piece or parcel of land situated in the Northwest Quarter of the Northwest Quarter of the Northwest Quarter (NW/4 NW/4 NW/4) of Section Twenty-six (26), Township Twenty-five (25) North, Range Twenty (20) East of Indian Meridian, more particularly described as follows, to-wit: Beginning at a point on the North line of said NW/4 NW/4 NW/4 469.2 feet East of the Northwest corner; thence Southwesterly on a curve to the right having a radius of 17,039.0 feet a distance of 485.4 feet; thence North 04°56' West a distance of 290.0 feet to a point on the North line of said NW/4 NW/4 NW/4 50 feet East of the Northwest corner thereof; thence East 419.2 feet to the point of beginning.

EXHIBIT "B"

(Form of Special Warranty Deed)

Upon recordation, return to:

THIS INDENTURE, made this _____ day of _____, 2016, between CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("Grantor"), and SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("Grantee").

WITNESSETH, that in consideration of the sum of Ten and no/100 Dollars (\$10.00), receipt of which is hereby acknowledged, Grantor does, by these presents, grant, bargain, sell and convey unto Grantee, its successors and assigns, (a) that certain real estate, situated in City of _____, County of _____, State of Oklahoma, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"); (b) all buildings and structures, together with all improvements situated on the Land and all fixtures and other property permanently affixed thereto (collectively, the "Improvements"); and (c) all other rights and appurtenances pertaining to the Land or the Improvements. The Land and Improvements, together with any and all of the related rights and appurtenances being herein collectively referred to as the "Property."

TO HAVE AND TO HOLD the same, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining forever.

And said Grantor, and for its successors and assigns, does hereby covenant, promise and agree to and with Grantee, at the delivery of these presents, that it is lawfully seized in its own right of an absolute and indefeasible estate of inheritance in fee simple, of and in, all and singular, the above granted and described Property, with appurtenances; that the same are free, clear and discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances of whatsoever nature and kind, **EXCEPT**: Those matters set out on Exhibit "B" which is attached hereto and made a part hereof; and that Grantor will **WARRANT AND FOREVER DEFEND** the same unto Grantee, its successors and assigns, against Grantor, its successors and assigns, and all and every person or persons whomsoever lawfully claiming, or to claim the same, by, through and under Grantor.

Signature Page to Land Purchase Contract

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EXHIBIT "A" TO SPECIAL WARRANTY DEED

(Legal Description)

36374448.4

EXHIBIT "B" TO SPECIAL WARRANTY DEED

(Permitted Exceptions)

36374448.4

EXHIBIT "C"

(Form of FIRPTA Affidavit)

NON-FOREIGN AFFIDAVIT

To inform _____, a _____ ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of certain real property to Transferee by CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, or disregarded entity (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. Transferor's office address is _____,
Vinita, Oklahoma _____ Attention: _____.; and
3. Transferor's U.S. employer identification number is _____.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____

Transferor

By: _____
Name: _____
Title: _____

STATE OF OKLAHOMA)
) ss
COUNTY OF _____)

 This instrument was acknowledged before me on this _____ day of September 2016, by
_____ as _____ of
_____.

My Commission Expires:

Notary Public

Execution Version

PURCHASE AND SALE CONTRACT

(Rural Health Clinics and Related Property operated by Craig County Hospital Authority)

THIS PURCHASE AND SALE CONTRACT ("**Contract**") is made and entered into as of the 22nd day of September, 2016 ("**Effective Date**"), by and between **SAINT FRANCIS HOSPITAL VINITA, INC.**, an Oklahoma nonprofit corporation, or its designee ("**Buyer**") and **CRAIG COUNTY HOSPITAL AUTHORITY**, an Oklahoma public trust ("**Seller**").

RECITALS:

A. Seller is the owner of certain improved real property located in the City of Langley, County of Mayes, State of Oklahoma; in the unincorporated area outside the City of Afton, County of Delaware, State of Oklahoma; City of Welch, County of Craig, State of Oklahoma; and City of Miami, County of Ottawa, State of Oklahoma, as herein defined and described with more particularity.

B. Buyer desires to purchase such real property and all improvements thereon and Seller desires to sell the same to Buyer all upon the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of their mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **DEFINITION OF TERMS.** In addition to any other terms defined herein or in the Asset Purchase Agreement, the following terms shall have the following meanings when used herein:

A. **Assumed Contracts.** The term "**Assumed Contracts**" shall have the meaning set forth in the Asset Purchase Agreement.

B. **Asset Purchase Agreement.** The term "**Asset Purchase Agreement**" shall mean that certain Asset Purchase Agreement dated September 22, 2016, by and between Buyer and Seller covering certain assets of Seller.

C. **Buyer.** The term "**Buyer**" shall mean Saint Francis Hospital Vinita, Inc., an Oklahoma nonprofit corporation, or its designee.

D. **Closing.** The term "**Closing**" shall mean the consummation and settlement of the transaction contemplated hereby.

E. **Closing Date.** The term "**Closing Date**" shall mean within five (5) business days of the entry of a final Order of the United States Bankruptcy Court for the Northern

District of Oklahoma approving that certain Asset Purchase Agreement between the parties and the transactions contemplated hereby, and a Plan of Liquidation with respect to the Seller, or such other date or such other date as the parties may mutually agree in writing. For clarity, all closing documents and funds will be delivered to the Escrow Agent one business day prior to the Closing Date for a paper closing with recording and disbursements to occur on the Closing Date.

F. Commitment. The term "**Commitment**" shall mean a written ALTA Commitment for title insurance issued by the Title Company to Buyer, in the amount of the Purchase Price, covering the Property, evidencing the agreement of the Title Company to issue the Title Policy to Buyer. The Commitment shall reflect, inter alia: (i) that good and marketable fee simple title to the Property is vested in Seller; (ii) all exceptions to title, but excluding the Excluded Exceptions; (iii) all requirements made by the Title Company, which if not satisfied, shall constitute exceptions to the coverage of the Title Policy; and (iv) legible photocopies of all documents referred to in the Commitment.

G. Contract. The term "**Contract**" shall mean this Purchase and Sale Contract.

H. Deeds. The term "**Deeds**" shall mean the Special Warranty Deeds duly executed and acknowledged by Seller, conveying good and marketable fee simple title to the Property to Buyer, subject only to Permitted Exceptions, in the form of **Exhibit "A"** attached hereto. Seller shall execute a Deed covering the portions of the Property in each county in which the Property is located.

I. Effective Date. The term "**Effective Date**" shall mean the date set forth above.

J. Escrow Agent. The term "**Escrow Agent**" shall mean Chicago Title Oklahoma, 210 Park Avenue, Suite 210 Oklahoma Tower, Oklahoma City, Oklahoma, 73102, telephone number: (405) 810-2445 and facsimile number: (405) 840-5727, Attention: Ms. Andrea McAlister.

K. Excluded Exceptions. The term "**Excluded Exceptions**" collectively shall mean and Seller shall (i) satisfy any mortgage or deed of trust placed on the Property, (ii) cause the removal of mechanic's or other monetary liens encumbering the Property, and (iii) cause the removal of any exception arising from the acts or omissions of Seller.

L. Leases. The term "**Leases**" shall mean all leases, subleases, occupancy agreements, and any other agreements or documents regarding or affecting the occupancy of the Property, together with any and all amendments thereto and extensions and assignments thereof, including, without limitation, those listed on **Schedule 1 L** attached hereto and incorporated in this Contract by this reference.

M. Permitted Exceptions. The term "**Permitted Exceptions**" shall expressly exclude the Excluded Exceptions and shall mean and include the following:

(1) Rights or claims of parties in possession as tenants only under the Leases;

(2) Ad valorem taxes for the year 2016, not yet due or payable, to the extent that any part of the Property is not exempt from taxation; and

(3) All those additional matters set forth in the Commitment which Buyer approves in writing.

N. Property. The term "**Property**" shall mean the real property located in the City of Langley, County of Mayes, State of Oklahoma; in the unincorporated area outside the City of Afton, County of Delaware, State of Oklahoma; City of Welch, County of Craig, State of Oklahoma; and City of Miami, County of Ottawa, State of Oklahoma, as more particularly described by tract in **Exhibit "A"** attached hereto and made a part hereof for all purposes, together with all (i) buildings, structures, fixtures and improvements thereon, (ii) hereditaments and appurtenances thereunto belonging, (iii) easements, rights of way and rights of ingress and egress benefiting the same which are incidental to, located on or used in connection with the operation of the above real property, (iv) licenses, permits and utility capacity (if and to the extent that Buyer elects to accept assignment thereof), if any, relating to the ownership or operation of the Property (but not related to medical services); and (v) the interest of the lessor or landlord under all Leases, together with all prepaid rents, security deposits and other deposits made by the tenants under the Leases. The Property shall not include tangible personal property owned by Seller and attached to or used in connection with the ownership, maintenance, use, service or operation of the Property which will be conveyed with the closing of the Asset Purchase Agreement.

O. Purchase Price. The term "**Purchase Price**" shall mean the sum of Five Million Six Hundred Sixty-Four Thousand Nine Hundred Thirty-Six and no/100 Dollars (\$5,664,937.00), being paid by Buyer to Seller for the Property. For purposes of determining transfer taxes allocated to each parcel of land, the Purchase Price shall be allocated as set forth in **Schedule 1 O** attached hereto and made a part hereof for all purposes.

P. Seller. The term "**Seller**" shall mean Craig County Hospital Authority, an Oklahoma public trust.

Q. Surveys. The term "**Surveys**" shall mean the following surveys: (a) ALTA/NSPS Land Title Survey prepared by Dodson-Thompson-Mansfield, PLLC, last revised July 28, 2016, for the Langley Clinic Tract; (b) ALTA/NSPS Land Title Survey prepared by Dodson-Thompson-Mansfield, PLLC, last revised August 19, 2016, for the Afton Clinic Tract; (c) ALTA/NSPS Land Title Survey prepared by Dodson-Thompson-Mansfield, PLLC, last revised August 2, 2016, for the Welch Clinic Tract; and (d) ALTA/NSPS Land Title Survey prepared by Dodson-Thompson-Mansfield, PLLC, last revised August 22, 2016, for the Neo Clinic Tract; (the Langley Clinic Tract, the Afton Clinic Tract, the Welch Clinic Tract, and the NEO Clinic Tract, as such terms are defined in **Exhibit "A"**).

R. Title Company. The term "**Title Company**" shall mean Chicago Title Insurance Company, its successors and assigns, issued through the Escrow Agent.

S. Title Policy. The term "**Title Policy**" shall mean an ALTA Owner's Policy of Title Insurance, issued by the Title Company to Buyer in the amount of the Purchase Price, insuring that Buyer has good, merchantable and indefeasible fee simple title to the Property, subject only to Permitted Exceptions.

T. Tract. The term "**Tract**" shall mean collectively or individually each of the Langley Clinic Tract, the Afton Clinic Tract, the Welch Clinic Tract, and the NEO Clinic Tract, as such terms are defined in **Exhibit "A"**.

U. Undeveloped Land Purchase and Sale Contract. The term "**Undeveloped Land Purchase and Sale Contract**" shall mean that certain Undeveloped Land Purchase and Sale Contract dated September __, 2016, by and between Buyer and Seller covering the sale of certain undeveloped land from Seller to Buyer as more particularly described therein.

2. PURCHASE AND SALE. In consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees to sell the Property to Buyer and Buyer hereby agrees to purchase the Property from Seller, all pursuant to the terms and conditions herein contained. At the Closing, Seller shall convey good and marketable fee simple title to the Property, subject only to the Permitted Exceptions, to Buyer, by the Deeds, upon Buyer's payment of the Purchase Price, as set forth herein.

3. PAYMENT OF PURCHASE PRICE AND ESCROW. The Purchase Price, subject to any adjustments or prorations as herein provided, shall be paid by Buyer to Seller at Closing by confirmed wire transfer of immediately available funds.

4. CONDITIONS PRECEDENT. The obligations of Buyer under this Contract, at the option of Buyer, shall be subject to the satisfaction on the Closing Date of the following conditions: (a) Seller and Buyer shall have consummated the purchase of the property under the Undeveloped Land Purchase and Sale Contract; and (b) the closing of the purchase of the assets being purchased by Buyer from Seller under the APA shall occur simultaneously with the Closing of the Property.

5. ACCESS. Seller shall give Buyer and Buyer's agents and representatives access to the Property during normal business hours at all times prior to Closing. Buyer and Buyer's agents and representatives shall have the right to physically inspect the Property and to conduct any test or other inspection deemed necessary by Buyer. Buyer shall repair any physical damage done to the Property by Buyer or its agents and indemnify, and defend and hold Seller harmless from and against any mechanic's liens that may be filed or asserted against the Property or Seller by Buyer's agents or representatives performing such inspections for Buyer.

6. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER AND BUYER. The representations, warranties and covenants of Seller and Buyer set forth in the following sections of the Asset Purchase Agreement are incorporated herein by this reference with respect to the Property: Section 3.4, 4.2.1, 4.3.1, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.9, 4.3.12, 4.3.13, 5.1-5.19, 5.21, 5.22, 5.25, Article VI, 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, Article IX, 11.2 as to the Leases, 12.11, 12.12, and these provisions shall survive the closing: 5.1-5.19, 5.21, 5.22, 5.25, Article VI, 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 12.11, 12.12. Further Seller warrants, represents and covenants to Buyer as follows:

A. Liens. As of the Closing, there shall be no outstanding contracts made by Seller for any improvements to the Property which have not been fully performed and paid and Seller shall pay or statutorily discharge all mechanic's or materialman's liens arising from any labor performed or materials furnished to the Property on or prior to the Closing.

B. IRC § 1445. Seller is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e., Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and regulations promulgated thereunder).

C. Leases. The Leases delivered to Buyer by Seller constitute all of the leases in effect at the Property and are true, correct and complete copies of same together with all amendments and guaranties relating thereto. To the actual knowledge of Seller, there are no parties in possession of any portion of the Property other than tenants under the Leases delivered to Buyer. Further, Seller has not assigned or pledged any of the Leases or rents thereunder and there are no material amendments or modification to any of the Leases other than the amendments and modifications that have been or will be delivered to Buyer. Seller has not received any written notice from any tenant under any Lease alleging that Seller is in default under such Lease, and, to the actual knowledge of Seller, Seller is not in default of its obligations under the Leases.

D. Covenants. During the term of this Contract, Seller shall, at Seller's sole cost and expense:

(i) not cause the condition of title to be changed from that as stated in the Commitment and Surveys;

(ii) not, without express prior written approval of Buyer (1) enter into any new Leases which would continue for a period subsequent to the Closing Date, (2) grant any modification, renewal or extension of any existing Lease, (3) waive, in any material respect, a tenant's compliance under any Lease, or (4) take any action to exercise any remedy under a Lease. From and after the Effective Date, Seller shall keep Buyer promptly informed of any negotiations regarding any new Leases or any proposed renewals, amendments or modifications of any Leases. Seller shall perform and discharge its obligations due prior to Closing under the Leases;

(iii) Seller will not remove or authorize the removal of any personal property or fixtures forming part of the Property unless the same is replaced, prior to Closing, with similar items of at least equal suitability, quality and value, free and clear of any liens and security interests, and Seller shall not make any material alterations to any portion of the Property;

(iv) Seller will maintain in full force and effect fire and extended coverage insurance upon the Property and public liability insurance with respect to damage or injury to persons or property occurring on the Property in such amount as is maintained by Seller on the Effective Date;

(v) Seller will advise Purchase promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has received actual knowledge or written notice;

(vi) Seller will not seek any zoning changes or take any action which encumbers Seller's title to the Property without Buyer's prior written consent which may be withheld in Buyer's sole discretion;

(vii) Seller will not, after the Effective Date without the prior written consent of Buyer, (1) create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Property which are not delinquent), encumbrance, charge, or conditional sale or other title retention document, against the Property, or any part thereof, other than the Permitted Exceptions, (2) impose any restrictive covenants or encumbrances on the Property, or (3) sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Property or any interest therein, or permit any of the foregoing during the term of this Contract; and

(viii) Seller will pay on or before the Closing Date all bills and invoices for labor performed or materials furnished to Seller for the benefit of the Property and relating to any period prior to the Closing.

The above warranties and representations of Seller are true and correct as of the Effective Date and shall be true and correct as of the Closing.

7. Intentionally Omitted.
8. Intentionally Omitted.
9. Intentionally Omitted.
10. CLOSING.

A. Closing Date. The Closing shall take place in escrow on the Closing Date at the offices of the Escrow Agent.

B. Seller's Obligations. At Closing, Seller shall, as a condition precedent to Buyer's obligations hereunder:

(1) Execute and deliver the Deeds to Buyer in the form of **Exhibit "B"** attached hereto, subject only to the Permitted Exceptions and taxes for the year of Closing, payment of which shall be prorated as herein set forth. There shall be a separate Deed covering the portions of the Property in each county in which the Property is located.

(2) Deliver to Buyer an executed duplicate original of the Assignment of Leases in the form of **Exhibit "C"** attached hereto.

(3) Deliver to Buyer the abstract of title covering the Property.

(4) Execute and deliver to Buyer and the Title Company an Affidavit, in a form and content acceptable to Buyer and the Title Company, evidencing that all sums for labor and/or materials performed and/or furnished to the Property have been paid in full and that there is nothing from which a material or mechanic's lien could arise.

(5) Execute and deliver to Buyer the Affidavit required by Internal Revenue Code Sections 1445 and 7701, in the form of **Exhibit "D"** attached hereto.

(6) Cause the Title Company to issue the Title Policy at Seller's cost.

(7) Execute and/or deliver any and all other instruments, documents and conveyances reasonably necessary to effectuate the terms of this Contract.

(8) Seller will deliver to Buyer originals or copies of all licenses, permits and governmental certificates and approvals relating to the Property.

(9) Seller shall execute, along with Buyer, and send letters to the utility companies advising of the change of ownership of the Property and an assignment to Buyer of all utility capacity (if any) allocated to the Property.

(10) Seller shall deliver to Buyer any applicable notice of restrictions required by statute or ordinance, and Buyer shall sign to acknowledge receipt thereof.

(11) Deliver to Buyer an executed duplicate original of the Assignment and Assumption Agreement in the form of **Exhibit "G"** attached hereto.

The instruments referenced above in clauses (1) and (2) shall be collectively referred to herein as the "Conveyance Documents."

C. Buyer's Obligations. At Closing, and as a condition precedent to Seller's obligations hereunder, Buyer shall:

- (1) Pay and deliver the Purchase Price to Seller.
- (2) Execute and deliver any and all other instruments, documents and other items reasonably necessary to effectuate the terms of this Contract.

D. Closing Costs. Closing costs and other expenses incidental to this Contract shall be paid as follows:

- (1) All costs regarding the Surveys, Commitment and Title Policy, including, but not limited to, title examination fees, title abstracting and title insurance premiums, shall be paid by Seller.
- (2) All costs regarding documentary stamps as a result of this transaction and any sales taxes due and owing the State of Oklahoma shall be paid by Seller.
- (3) Each party shall bear and pay their own respective attorneys' fees and other costs not herein enumerated incurred by each party with respect to this transaction.
- (4) General ad valorem taxes and assessments for the calendar year of Closing, if any, shall be prorated to the Closing, with the Buyer paying taxes for the date of Closing and following Closing and Seller paying for the period prior to Closing. If such proration is based upon information for any year other than the year in which the Closing occurs, the parties shall re-prorate such taxes and assessments within thirty (30) days after the current year's information becomes available, and any appropriate adjustments shall be made, in cash, outside of escrow.
- (5) Utility charges shall be prorated as of the Closing, provided, however, Seller shall attempt to obtain a final reading prior to Closing and pay the final billings directly to the appropriate utility companies. Seller shall receive from the appropriate utility companies any and all deposits made by Seller with respect to such utilities.
- (6) All income and expenses attributable to the use and operation of the Property shall be prorated and apportioned between Buyer and Seller as set forth in Section 3.2 of the Asset Purchase Agreement. The provisions of this Paragraph 10.D.(7) shall survive the Closing.

11. Intentionally Omitted.

12. DEFAULTS AND REMEDIES.

A. Seller's Remedies. In the event of a default under the terms and conditions of this Contract by Buyer, Seller's sole remedy shall be to terminate this Contract and Seller hereby specifically waives all rights to recover any monetary damages or other remedies it may have at law or in equity as a result of any breach of this Contract. The parties hereby acknowledge the unique nature of the property involved herein. Buyer shall not be deemed to be in default hereunder unless and until Seller provides Buyer with notice in writing specifying the default and Buyer fails to cure the default specified in said notice within five (5) days after receipt of such notice.

B. Buyer's Remedies. In the event of a default under the terms and conditions of this Contract by Seller, Buyer shall have the option to either terminate this Contract, or Buyer shall be entitled the remedy of specific performance, and in either of said events, Buyer may recover damages, to the extent same are properly recoverable under applicable law, in the amount of any and all costs and expenses incurred by Buyer in negotiating this Contract, in inspecting and in analyzing the Property, and otherwise in attempting to perform its rights and duties under this Contract. Buyer hereby specifically waives all rights to recover any other monetary damages it may have as a result of any breach of this Contract. The parties hereby acknowledge the unique nature of the property involved herein. Seller shall not be deemed to be in default pursuant to the terms of this Contract unless and until it has received written notice from Buyer specifying such default and Seller fails to cure such default within five (5) days after receipt of such notice specifying said default.

C. Attorneys' Fees and Costs. If, as a result of a default under this Contract, either Seller or Buyer employs an attorney to enforce its rights, the defaulting party shall, unless prohibited by law, reimburse the non-defaulting party for all reasonable attorneys' fees, court costs and other legal expenses incurred by the non-defaulting party in connection with the default.

13. INDEMNIFICATION. Article 10 of the Asset Purchase Agreement is incorporated into this Contract by this reference.

14. CONDEMNATION AND CASUALTY. The following provisions shall be applicable with respect to condemnation and casualty:

A. Condemnation. In the event that all or any part of the Property is condemned or taken by eminent domain after the Effective Date and before the Closing, Buyer may, at its option, either: (i) terminate this Contract by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the condemnation; or (ii) proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event, Seller shall deliver to Buyer, at the Closing, any proceeds actually received by Seller or rights to condemnation proceeds attributable to the Property from such condemnation or eminent domain proceeding, and there shall be no reduction in the Purchase Price. In the event Buyer fails to timely deliver written notice of termination as described in (i) above, Buyer shall be deemed to have elected to proceed in accordance with (ii) above.

B. Casualty. In the event that all or any "substantial portion" of the Property shall be damaged or destroyed by fire or other casualty after the Effective Date and before the Closing, Buyer may, at its option, either: (i) terminate this Contract by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the casualty; or (ii) proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Seller shall deliver to Buyer, at the Closing, any insurance proceeds actually received by Seller attributable to the Property from such casualty, or obtain the approval of Seller's insurer, if necessary, and assign to Buyer all of Seller's right, title and interest in any claim under any applicable insurance policies in respect of such casualty, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies), and there shall be no reduction in the Purchase Price. Provided, that if Seller's insurance does not cover or is insufficient to fully pay for such casualty, Seller shall pay to Buyer, at Closing, the amount required to repair all damages, as estimated by a third party contractor selected by Buyer, caused by such casualty and not covered or fully paid for by Seller's insurance. In the event Buyer fails to timely deliver written notice of termination as described in clause (i) above, Buyer shall be deemed to have elected to proceed in accordance with clause (ii) above. If the casualty loss does not involve a "substantial portion" of the Property, as defined herein, then Buyer shall be obligated to close the transaction contemplated herein according to the terms hereof, notwithstanding such casualty loss, provided that Seller shall, at Buyer's election: (i) pay to Buyer the amount, as estimated by a third party contractor selected by Buyer, required to repair all damages caused by such casualty loss if the same cannot be repaired prior to Closing; (ii) repair the damages caused by such casualty loss prior to Closing, at Seller's expense if the same can be repaired prior to Closing; or (iii) deliver or assign to Buyer, at Closing, any and all insurance proceeds or rights to proceeds attributable to such casualty loss, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies), and there shall be no reduction in the Purchase Price. In the event Buyer elects option (iii) above, Seller shall obtain the approval of Seller's insurer to such assignment, if necessary, prior to Closing. For the purposes hereof, a "substantial portion" of the Property shall be deemed to include any casualty loss which is equal to or greater than Fifty Thousand and no/100 Dollars (\$50,000.00). In the event the Property is damaged prior to Closing and such damage creates an emergency requiring immediate repair in order to prevent further damage to the Property, Seller may repair such damage. Casualty proceeds, if any, paid as a result of damage requiring immediate repair shall be used in paying the cost of such repairs.

15. MISCELLANEOUS.

A. Assignment. This Contract may be assigned if the Asset Purchase Agreement is assigned and this Contract otherwise may not be assigned by Buyer without the express prior written consent of Seller which consent shall not be unreasonably withheld; provided, however, Buyer shall have the right to have Buyer's designee assume this Contract without the prior written consent of Seller upon giving Seller prior written notice.

B. Notices. Any notices or other communications required or contemplated under the provisions of this Contract shall be in writing and (a) delivered in person, evidenced by a signed receipt; (b) mailed by certified mail, return receipt requested, postage prepaid and deposited with the United States Postal Service; (c) sent by FedEx or other nationally recognized overnight courier; or (d) sent by facsimile, provided duplicate notice is also delivered by the method listed in (a), (b) or (c), to the Parties at the addresses indicated below or to such other persons or addresses as a Party may provide by written notice to the other. The date of notice shall be the date of delivery if the notice is personally delivered, or the date of mailing if the notice is mailed by certified mail, the date of delivery to the overnight courier or the date facsimile transmission confirmation is received.

If to Buyer: Saint Francis Health System, Inc.
6161 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 494-8453 (FAX)
Attention: Attn: President and Chief
Executive Officer

With a copy to: Saint Francis Hospital System, Inc.
6161 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 494-2475 (FAX)
Attention: Jeffrey C. Sacra, Esq.

If to Seller: Craig County Hospital Authority
First National Bank, Vinita
102 West Illinois
Vinita, Oklahoma 74301
ATTENTION: James N. Ratcliff
(918) 256-7855 (FAX)

With a copy to: LOGAN & LOWRY, LLP
101 S. Wilson Street
Vinita, Oklahoma 74301
ATTENTION: Thomas J. McGeady, Esq.
(918) 256-3187 (FAX)

From time to time, either party may designate another address or facsimile telephone number for all purposes of this Contract by giving to the other party not less than five (5) days advance written notice of such change of address or facsimile telephone number in accordance with the provisions hereof. The failure or refusal of a party to accept receipt of a notice hereunder shall in no manner invalidate the notice.

C. Entire Agreement. This Contract and the Asset Purchase Agreement constitutes the entire agreement between Seller and Buyer with respect to the Property, supersedes all prior written or oral agreements between Seller and Buyer with respect

thereto, and may not be modified or amended except by an instrument in writing signed by Seller and Buyer. Nothing contained in this Contract shall be deemed to modify the Asset Purchase Agreement. In the event of a conflict between this Contract and the Asset Purchase Agreement with respect to the Property, this Contract shall control.

D. Risk of Loss. Until Closing or transfer of possession, risk of loss to the Property, ordinary wear and tear excepted, shall be upon Seller and after Closing or transfer of possession, risk of loss shall be upon Buyer.

E. Possession. Possession, subject to the rights of tenants under Leases and the Permitted Exceptions, shall be transferred from Seller to Buyer at Closing.

F. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma. Further, this Contract shall be construed as having been drafted by both of the parties hereto, and not by one party to the exclusion of the other.

G. No Merger. Any covenant, agreement or indemnity herein which contemplates performance after the time of Closing, and all warranties and representations, shall not be deemed to be merged into or waived by the closing instruments but shall expressly survive and be binding upon the parties obligated thereby. Neither Seller nor Buyer has made any representations or warranties to the other regarding this transaction except as set forth herein. At the request of either party, the other party shall deliver, at Closing a certificate confirming the provisions of this Paragraph.

H. Headings. The headings used herein are for convenience only and shall not be used in interpreting this Contract.

I. Binding Effect. This Contract shall be binding upon Seller and Buyer and their respective successors, heirs, legal representatives and assigns.

J. Multiple Counterparts. This Contract may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures. Notwithstanding the foregoing, the Parties acknowledge and agree that this Contract shall not constitute a binding obligation on any Party until signatures of all other Parties have been delivered, and until all such Parties' signatures have been delivered any other Party may withdraw its signature by notice to the other Parties.

K. Further Actions. The Seller and Buyer each agree to take such further actions and execute and deliver such further documents as may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

L. Partial Invalidity. If any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect,

such invalidity, illegality or unenforceability shall not affect any of the other provisions hereof, and this Contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

M. Escrow Instructions. Buyer and Seller agree to execute any reasonable and necessary escrow instructions as may be required by the Escrow Agent, provided however, that neither the escrow instructions nor the acts or actions of the parties in executing the same shall supersede or be construed as superseding this Contract, but such escrow instructions shall be deemed as merely supplemental to this Contract and a means of carrying out and consummating this Contract.

O. Closing. The following schedules or exhibits are attached hereto and shall be deemed to be incorporated herein by reference:

- (1) Exhibit "A" - Legal Descriptions;
- (2) Exhibit "B" – Form of Special Warranty Deed;
- (3) Exhibit "C" - Form of Assignment of Leases;
- (4) Exhibit "D" – Form of FIRPTA Affidavit;
- (5) Exhibit "E" - Form of Assignment and Assumption Agreement;
- (6) Schedule 1 L – Leases; and
- (7) Schedule 1 O – Allocation of Purchase Price.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date set forth below their respective signatures.

SELLER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: 

Name: Cecil Egnor

Title: Chairman, Board of Trustees

BUYER:

**SAINT FRANCIS HOSPITAL VINITA, INC.,
an Oklahoma nonprofit corporation**

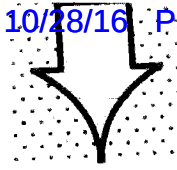
By: _____

Name: Jake Henry Jr.

Title: President and Chief Executive Officer

Signature Page to Clinic Real Estate Purchase Contract

Exhibit A-3
Page 14 of 33



IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date set forth below their respective signatures.

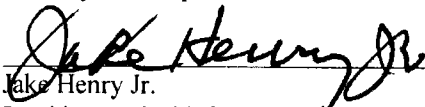

SELLER:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: Cecil Egnor
Title: Chairman, Board of Trustees

BUYER:

**SAINT FRANCIS HOSPITAL VINITA, INC.,
an Oklahoma nonprofit corporation**

By: 
Name: Jake Henry Jr.
Title: President and Chief Executive Officer 

Signature Page to Clinic Real Estate Purchase Contract

Chicago Title Oklahoma hereby acknowledges receipt of a fully executed copy of this Contract and agrees to act as Escrow Agent in accordance with the terms and conditions herein set forth.

Chicago Title Oklahoma,
an Oklahoma Corporation

By: Andrea McAlister
Name: Andrea McAlister
Title: Exec. Vice President

Date: September 23, 2016

EXHIBIT "A"

(Legal Description of the Property)

LANGLEY CLINIC TRACT:

THE SOUTH FOUR HUNDRED AND NINETY-SEVEN (497) FEET OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (N2 SW4 NW4) OF SECTION TEN (10), TOWNSHIP TWENTY-THREE (23) NORTH, RANGE TWENTY-ONE (21) EAST OF THE INDIAN BASE AND MERIDIAN, MAYES COUNTY, STATE OF OKLAHOMA, being the same property conveyed to Craig County Hospital Authority by Warranty Deed I-1996-584224, recorded in Book 1039, Page 0091 in the office of the County Clerk of Mayes County, Oklahoma.

AFTON CLINIC TRACT:

Part of the SW¼ of the NW¼ of Section 20, Township 25 North, Range 23 East of the I.B. & M., Delaware County, Oklahoma, being more particularly described as follows:

Commencing at the SW Corner of said NW¼; thence N 01° 54' 47" W 369.67 feet along the West Line of said NW¼; thence N 68° 48' 16" E 42.32 feet to the POINT OF BEGINNING; thence N 01° 54' 47" W 778.48 feet; thence N 88° 05' 13" E 300.00 feet; thence S 01° 54' 47" E 673.52 feet to the Northerly side of Carroll Parkway of Echo Bay Villas, Phase I, according to the recorded plat thereof; thence S 68° 48' 16" W 317.83 feet along the Northerly Line to the POINT OF BEGINNING, being the same property conveyed to Craig County Hospital Authority dba Craig General Hospital by Warranty Deed I-2007-008345, Book 1780, Page 486 in the office of the County Clerk of Delaware County, Oklahoma.

WELCH CLINIC TRACT:

The South 6 Inches of Lot Four (4) and all of Lot Five (5), in Block Twenty-five (25), in the Town of Welch, Oklahoma, according to the United States Government Survey and approved Plat thereof, being the same property conveyed to Craig County Hospital Authority by Warranty Deed 144623, Book 0519, Page 353 in the office of the County Clerk of Craig County, Oklahoma.

NEO CLINIC TRACT:

The North 441.24 feet of the East 535.00 feet in the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section Twenty-nine (29), Township Twenty-eight (28) North, Range Twenty-three (23) East to the Indian Meridian, Ottawa County, Oklahoma, being the same property conveyed to Craig County Hospital Authority, d/b/a Craig General Hospital by Warranty Deed I-

2008-002477, Book 0864, Page 582 in the office of the County Clerk of Ottawa County, Oklahoma.

EXHIBIT "B"

(Form of Special Warranty Deed)

Upon recordation, return to:

THIS INDENTURE, made this _____ day of _____, 2016, between CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("Grantor"), and SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("Grantee").

WITNESSETH, that in consideration of the sum of Ten and no/100 Dollars (\$10.00), receipt of which is hereby acknowledged, Grantor does, by these presents, grant, bargain, sell and convey unto Grantee, its successors and assigns, (a) that certain real estate, situated in City of _____, County of _____, State of Oklahoma, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"); (b) all buildings and structures, together with all improvements situated on the Land and all fixtures and other property permanently affixed thereto (collectively, the "Improvements"); and (c) all other rights and appurtenances pertaining to the Land or the Improvements. The Land and Improvements, together with any and all of the related rights and appurtenances being herein collectively referred to as the "Property."

TO HAVE AND TO HOLD the same, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining forever.

And said Grantor, and for its successors and assigns, does hereby covenant, promise and agree to and with Grantee, at the delivery of these presents, that it is lawfully seized in its own right of an absolute and indefeasible estate of inheritance in fee simple, of and in, all and singular, the above granted and described Property, with appurtenances; that the same are free, clear and discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances of whatsoever nature and kind, **EXCEPT**: Those matters set out on Exhibit "B" which is attached hereto and made a part hereof; and that Grantor will **WARRANT AND FOREVER DEFEND** the same unto Grantee, its successors and assigns, against Grantor, its successors and assigns, and all and every person or persons whomsoever lawfully claiming, or to claim the same, by, through and under Grantor.

EXHIBIT "A" TO SPECIAL WARRANTY DEED

(Legal Description)

EXHIBIT "B" TO SPECIAL WARRANTY DEED

(Permitted Exceptions)

EXHIBIT "C"

(Form of Assignment of Leases)

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "***Agreement***") is made and entered into and effective as of _____, 2016, by and between SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("***Assignee***"), and CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("***Assignor***").

RECITALS:

A. Assignor and Assignee have entered into that certain Purchase and Sale Contract (the "***Contract***") dated as of _____, 2016, pursuant to which Assignor agreed to sell, convey, transfer, assign and deliver unto Assignee all of Assignor's rights, titles and interests in and to certain rights and assets of Assignor used or held for use in the operation of the Business, including the Leases (as defined in the Contract).

B. Assignor desires to assign to Assignee all of Assignor's rights, titles and interests in and to the Lessor Leases, and Assignee desires to assume all of the duties, obligations and covenants arising under the Leases after the Effective Time.

NOW, THEREFORE, in consideration of the terms and conditions and the representations and warranties herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I.
DEFINED TERMS**

Capitalized terms not otherwise defined in this Agreement shall have the definitions given to them in the Asset Purchase Agreement.

**ARTICLE II.
TRANSFER AND ASSIGNMENT**

A. Transfer and Assignment. Assignor does hereby grant, sell, assign, transfer and set over unto Assignee, effective as of 12:00:01 a.m., Central Time, on _____, 2016, all of Assignor's rights, title and interest in and to the Lessor Leases listed on Exhibit A attached hereto and hereby made a part hereof and Assignor has delivered all of the security deposits held under the Lessor Leases.

B. Assumption of Obligations. Assignee hereby accepts the assignment from Assignor of the Leases, and assumes and agrees to pay, perform and/or discharge the liabilities and obligations of Assignor arising after the Effective Time under the Leases, except for liabilities and obligations arising out of any performance obligation or breach thereof under any Lease prior to the Effective Time.

ARTICLE III. MISCELLANEOUS

A. Cooperation. Assignee and Assignor agree to execute such other documents and take such other actions as may be reasonably necessary or desirable to confirm or effectuate the assignments and assumptions contemplated hereby.

B. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of each party hereto.

C. Notices. All notices and other communications required or permitted to be given under this Agreement shall be given pursuant to the applicable notice provisions set forth in the Asset Purchase Agreement.

D. Waiver. Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof, but only by a written notice signed by the party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement.

E. Amendment. This Agreement may be amended, supplemented or modified at any time, but only by a written instrument duly executed by Assignor and by Assignee.

F. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed, construed and enforced in accordance with the laws of the State of Oklahoma.

G. Partial Invalidity. If any one or more of the provisions of this Agreement or any application thereof shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement and any other application thereof shall not in any way be affected or impaired thereby; provided, however, that to the extent permitted by applicable law, any invalid, illegal or unenforceable provision may be considered for the purpose of determining the intent of the parties in connection with the other provisions of this Agreement.

H. Conflict; Inconsistency. To the extent any conflict or inconsistency exists between the provisions of this Agreement and the Contract, the provisions of the Contract shall be controlling. The terms and provisions of the Contract or the Asset Purchase Agreement (including, without limitation, the representations, warranties and covenants therein) shall not merge, be extinguished or otherwise affected by the delivery and execution of this Agreement or any other document delivered pursuant to this Agreement.

I. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures. Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement shall not constitute a binding obligation on any party until signatures of all other parties have been delivered, and until all such parties' signatures have been delivered any other party may withdraw its signature by notice to the other parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ASSIGNOR:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

By: _____
Name: Cecil Egnor
Title: Chairman, Board of Trustees

ASSIGNEE:

**SAINT FRANCIS HOSPITAL VINITA,
INC.**

By: _____
Name: Jake Henry Jr.
Title: President and Chief Executive Officer

EXHIBIT "A"

[List of Leases]

EXHIBIT "D"

(Form of FIRPTA Affidavit)

NON-FOREIGN AFFIDAVIT

To inform _____, a _____ ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of certain real property to Transferee by CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, or disregarded entity (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. Transferor's office address is _____,
Vinita, Oklahoma _____ Attention: _____.; and
3. Transferor's U.S. employer identification number is _____.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____

Transferor

By: _____
Name: _____
Title: _____

STATE OF OKLAHOMA)
) ss
COUNTY OF _____)

 This instrument was acknowledged before me on this _____ day of September 2016, by

_____ as _____ of
_____.

My Commission Expires:

Notary Public

EXHIBIT "E"

(Form of Assignment and Assumption Agreement)

Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "***Agreement***") is made and entered into and effective as of _____, 2016, by and among SAINT FRANCIS HOSPITAL VINITA, INC., an Oklahoma nonprofit corporation ("***Assignee***"), CRAIG COUNTY HOSPITAL AUTHORITY, an Oklahoma public trust ("***Assignor***").

RECITALS

A. Assignor and Assignee have entered into that certain Purchase and Sale Contract (the "***Contract***") dated as of _____, 2016, pursuant to which Assignor agreed to sell, convey, transfer, assign and deliver unto Assignee all of Assignor's rights, titles and interests in and to certain rights and assets of Assignor used or held for use in the operation of the Property, including the Assumed Agreements (as defined in the Asset Purchase Agreement) to which Assignor is a party.

B. In connection with the closing of the transactions contemplated by the Asset Purchase Agreement, Assignor desires to assign to Assignee all of Assignor's rights, titles and interests in and to the Assumed Agreements and the Assumed Liabilities (as defined in the Asset Purchase Agreement) but only with respect to the Property, and Assignee desires to assume all of the duties, obligations and covenants arising under the Assumed Agreements and all of Assignor's duties and obligations for the Assumed Liabilities but only with respect to the Property after the Effective Time.

NOW, THEREFORE, in consideration of the terms and conditions and the representations and warranties herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE IV.
DEFINED TERMS**

Capitalized terms not otherwise defined in this Agreement shall have the definitions given to them in the Contract and the Asset Purchase Agreement (as defined in the Contract).

**ARTICLE V.
TRANSFER AND ASSIGNMENT**

A. Transfer and Assignment. Assignor does hereby grant, sell, assign, transfer and set over unto Assignee, effective as of 12:00:01 a.m., Central Time, on _____, 2016, with respect to the Property all of Assignor's rights, title and interest in and to the Assumed Agreements and Assumed Liabilities.

B. Assumption of Obligations. Assignee hereby accepts the assignment from

Assignor of the Assumed Agreements and Assumed Liabilities with respect to the Property, and assumes and agrees to pay, perform and/or discharge the liabilities and obligations of Assignor arising after the Effective Time with respect to the Property under the Assumed Agreements and Assumed Liabilities, except for liabilities and obligations arising out of any performance obligation or breach thereof under any Assumed Agreements or Assumed Liabilities prior to the Effective Time.

ARTICLE VI. MISCELLANEOUS

A. Cooperation. Assignee and Assignor agree to execute such other documents and take such other actions as may be reasonably necessary or desirable to confirm or effectuate the assignments and assumptions contemplated hereby.

B. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of each party hereto.

C. Notices. All notices and other communications required or permitted to be given under this Agreement shall be given pursuant to the applicable notice provisions set forth in the Asset Purchase Agreement.

D. Waiver. Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof, but only by a written notice signed by the party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement.

E. Amendment. This Agreement may be amended, supplemented or modified at any time, but only by a written instrument duly executed by Assignor and by Assignee.

F. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed, construed and enforced in accordance with the laws of the State of Oklahoma.

G. Partial Invalidity. If any one or more of the provisions of this Agreement or any application thereof shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement and any other application thereof shall not in any way be affected or impaired thereby; provided, however, that to the extent permitted by applicable law, any invalid, illegal or unenforceable provision may be considered for the purpose of determining the intent of the parties in connection with the other provisions of this Agreement.

H. Conflict; Inconsistency. To the extent any conflict or inconsistency exists between the provisions of this Agreement, the Contract and the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall be controlling. The terms and provisions of the Contract and the Asset Purchase Agreement (including, without limitation, the representations, warranties and covenants therein) shall not merge, be extinguished or otherwise affected by the delivery and execution of this Agreement or any other document delivered pursuant to this

Agreement.

I. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures. Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement shall not constitute a binding obligation on any party until signatures of all other parties have been delivered, and until all such parties' signatures have been delivered any other party may withdraw its signature by notice to the other parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ASSIGNOR:

ASSIGNEE:

**CRAIG COUNTY HOSPITAL
AUTHORITY**

**SAINT FRANCIS HOSPITAL VINITA,
INC.**

By: _____

Name: Cecil Egnor

Title: Chairman, Board of Trustees

By: _____

Name: Jake Henry Jr.

Title: President and Chief Executive Officer

SCHEDULE 1 L

Leases

**LANGLEY CLINIC TRACT:
36488 State Highway 82, Langley, OK 74350**

Specialty Clinic Lease by and between Craig County Hospital Authority d/b/a Craig General Hospital and Urologic Specialists of Oklahoma, Inc., last dated February 8, 2013. (962 sq. ft. within the building)

**AFTON CLINIC TRACT:
26300 S. Highway 125, Afton, OK 74331**

None

**WELCH CLINIC TRACT:
343 South Commercial Street, Welch, OK 74369**

None

**NEO CLINIC TRACT:
10 S. Treaty Road, Miami, OK 74354**

Lease Agreement by and between Craig County Hospital Authority d/b/a Craig General Hospital and Martin Grotheer dated October 1, 2013 and Addendum to Office Space Lease Agreement by and between Craig County Hospital Authority d/b/a Craig General Hospital and Martin Grotheer, M.D., dated effective as of August 18, 2015. (amending the premises to 2,011.5 sq. ft.)

Lease Agreement by and between Craig County Hospital Authority d/b/a Craig General Hospital ("Lessor") and Mercy Joplin, LLC ("Lessee") dated September 1, 2015, as amended by Addendum to Office Space Lease Agreement dated April 7, 2016 for 2,218 square feet of space located at 10 S. Treaty Road, Miami, Oklahoma 74354.

SCHEDULE 1 O**Allocation of Purchase Price**

LOCATION	REAL PROPERTY
1. WELCH FAMILY MEDICINE <i>343 S. Commercial Street, Welch, OK</i>	\$43,947
2. GRAND LAKE MEDICAL PARK OF LANGLEY <i>36488 State Hwy 82, Langley, OK</i>	\$1,794,938
3. GRAND LAKE MEDICAL PARK OF MONKEY ISLAND <i>26300 S. Hwy 125, Afton, OK</i>	\$2,220,055
4. NEO CLINIC FACILITY <i>10 S. Treaty Road, Miami, OK</i>	\$1,605,997

CRAIG COUNTY HOSPITAL AUTHORITY
Exhibit B-1 Post-Petition Unsecured Claims

VENDOR NAME

REFUND Total
AIR PRODUCTS & CHEMICALS, INC Total
ARTHREX Total
AMERICAN RED CROSS: SOUTHWEST Total
ABBOTT NUTRITION Total
A & D SUPPLY CO Total
ALIMED INC Total
ACE TOWN & COUNTRY Total
AIRGAS USA, LLC Total
ALCO SALES & SERVICE CO. Total
ALLEN SIGN STUDIO Total
AHS OKLAHOMA HEART LLC Total
ACTION GRAPHICS PRINTING Total
AMS SALES CORPORATION Total
AMERISOURCEBERGEN 100060698 Total
ATCO INTERNATIONAL Total
ATLAS TELEPHONE COMPANY Total
AMERICAN HERITAGE LIFE INSURANCE COMPANY Total
AMERISOURCEBERGEN 100083108 Total
AT&T GLOBAL SERVICES, INC. Total
ATLAS STEEL PRODUCTS, INC. Total
ASPEN SURGICAL PRODUCTS Total
ALL AMERICAN OUTDOOR ADVERTISING Total
THE AMERICAN Total
ATLANTIC BIOLOGICALS Total
ANODYNE MEDICAL Total
ALLERGAN USA, INC Total
AMBU, INC. Total
ADVANCE BOILER REPAIR & SERVICE, INC. Total
AMERISOURCEBERGEN-100114619 Total
AMERISOURCEBERGEN-100114620 Total
ACCENT ACCESSORIES, INC. Total
AMC Total
ADAPTIVE MEDICAL PARTNERS Total
ARTHUR L. DAVIS PUBLISHING AGENCY, INC. Total
AGUILAR, RICARDO Total
THE ALINEA GROUP, LLC Total
BOSTON SCIENTIFIC CORP. Total
BRIGGS CORPORATION Total
BRIXEY POOLS LLC Total
B&L CLEANERS Total
BARBOUR PUBLISHING, INC Total

BOOKS ARE FUN Total
B & L WATERWORKS Total
B BRAUN INTERVENTIONAL SYSTEMS, INC. Total
BRACCO DIAGNOSTICS INC Total
BLUEJACKET JACQUELEN Total
BUTCHER PUMP CO, INC Total
BROOKS GREASE SERVICE, INC. Total
BLUE SKY CLAYWORKS, INC. Total
C & L SUPPLY Total
CONE INSTRUMENTS LLC. Total
COOK MEDICAL INCORPORATED Total
CENTURION MEDICAL PRODUCTS CORP Total
CAREFUSION Total
COFFEY COMMUNICATIONS Total
CRAIG GENERAL AUXILARY Total
CDW GOVERNMENT, INC. Total
CARDINAL HEALTH - NUCLEAR PHARMACY SERVICES Total
CHOICE MARKETING Total
CINTAS CORPORATION LOC. 063 Total
CONEXIS Total
CRAIG COUNTY HEALTHCARE FOUND. Total
CORINE CHRISTIAN Total
CASH Total
CONTOUR PRODUCTS Total
CLAREMORE COMPOUNDING PHARMACY Total
COMMERCIAL POWER SOLUTIONS, LLC Total
CARTER'S FOOD CENTER Total
ANN CARR Total
COMPUTER SYSTEMS ANALYSIS, INC. Total
CFI MEDICAL SOLUTIONS Total
CHANNING BETE COMPANY, INC. Total
CHRISTIAN CLARK Total
COVENANT Total
CRAIG COUNTY CANCER OUTREACH ASSOCIATION Total
CHEMAQUA Total
CAREN PRODUCTS LLC Total
CRAIG COUNTY FAIR BOARD Total
CROWN PHARMACEUTICALS, INC. Total
CID RESOURCES, INC. Total
COPY-SCAN & MORE LLC Total
CONSILIUM STAFFING, INC. Total
CALYPSO STUDIOS INC Total
CABIN CREEK LAWN CARE Total
CUTIEFUL DISTRIBUTION / SCRUBSCO Total
CARPENTREE INC. Total
DMS HEALTH TECHNOLOGIES, INC. Total
DATEX-OHMEDA Total

DJO, LLC Total
DAVENPORT ENTERPRISES Total
DIRECT SUPPLY, INC. Total
DARWIN NATIONAL ASSURANCE COMPANY Total
DRAKE DESIGN/THE FAITH COLLECTION Total
DRIVE MEDICAL DESIGN & MANUFACTURING Total
DEWBERRY ARCHITECTS INC. Total
DTG MEDICAL ELECTRONICS Total
DIAZ MARCIA Total
DEPUY SYNTHES SALES, INC. Total
DUTCH OPHTHALMIC USA Total
DAVIS & DAVIS GOURMET FOODS, LLC Total
ERAD, INC. Total
WILLIAM EMERSON Total
EMERGENCY NURSES ASSOCIATION Total
ECOLAB Total
ENERGY CONSERVATION SUPPLY Total
ELSEVIER Total
STEVEN DICKSEN Total
EARTH TECH ENTERPRISES, INC Total
EXTRUDATE SOLUTIONS, LLC Total
FISHER HEALTHCARE Total
MICHAEL E. FOUST Total
FEDEX Total
JOHN DEERE FINANCIAL Total
FASTENAL Total
FREEMAN HEALTH SYSTEM Total
FIFTH AVENUE PHYSICIAN SERVICES Total
FLOCK'S AUTO REPAIR Total
FAMILY BUSINESS SERVICES Total
FIRETROL Total
PELIVAN TRANSIT Total
GRAINGER Total
THE GROVE SUN & DELAWARE COUNTY JOURNAL Total
GE MEDICAL SYSTEMS INFORMATION TECHNOLOGIES, INC Total
GORDON N STOWE & ASSOCIATES, INC Total
GRAND LAKE GLASS Total
GLITZHOME CORPORATION (SHANGHAI), LTD. Total
GRAND GATEWAY ECONOMIC DEVELOPMENT ASSOCIATION Total
GLAUKOS CORPORATION Total
HEALTH CARE LOGISTICS Total
HENRY SCHEIN Total
HOMETOWN BOTTLED WATER SERVICE Total
HIRERIGHT LLC Total
TERRY HORTON, M.D. Total
HOBART CORPORATION Total
HOWARD'S JEWELRY, INC. Total

HEALTHSTREAM, INC. - LEARNING SERVICES Total
HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION Total
HORIZON SERVICES, INC Total
HILTI INC. Total
HARTMAN EXECUTIVE & LEADERSHIP SERVICES, INC. Total
HEARTSWORTH SENIOR LIVING, LLC Total
HALL, WILLIAM A. Total
HARVEST HOUSE PUBLISHERS Total
INTEGRA LIFESCIENCES SALES LLC Total
IMAGINE NATION BOOKS, LTD Total
IMS, INCORPORATED Total
ISOLATED POWER PANEL SERVICES Total
INTEGRATED MEDICAL DELIVERY, LLC Total
IHF LTD Total
J & J HEALTH CARE SYSTEMS, INC. Total
JIM'S PEST CONTROL Total
JANA FERRELL & ASSOCIATES, LLC Total
JOHNSON CONTROLS, INC. Total
JOE HARDING, INC. Total
JOPLIN SUPPLY COMPANY Total
JT MECHANICAL Total
JACKSON AND COKER PERMANENT, LLC Total
KARL STORZ ENDOSCOPY Total
KELLI'S GIFT SHOP SUPPLIES Total
KEY SURGICAL INC. Total
KEMPER AUTOMOTIVE Total
KRIZ-DAVIS CO. Total
KEMP ROBIN Total
KAY DEE DESIGNS, INC. Total
KIDS PREFERRED, LLC Total
LABORATORY SUPPLY CO. Total
L & K MEDICAL INC Total
LOCKE SUPPLY Total
LAKELAND OFFICE SYSTEMS Total
LOWE'S COMPANY, INC. Total
LIFECYCLE SYSTEMS Total
LAKEWOOD ACE HARDWARE Total
KYLE & JENNIFER LIVINGSTON Total
LAKELAND FINANCIAL SERVICES - CUST# MI0007 Total
LOCUMTENENS.COM, LLC Total
MED TECH SOLUTIONS Total
MEDLINE INDUSTRIES Total
MARKETLAB, INC. Total
MIAMI ARMATURE WORKS, INC. Total
MEDTOX DIAGNOSTICS INC. Total
TERRY L. ATKINSON Total
MINDRAY DS USA, INC. Total

MARK MCSPADDEN Total
THE MED GROUP Total
MERCURY ENTERPRISES, INC. Total
MAXWELL HEALTHCARE CONSULTING, PLLC Total
MURRAY WOMBLE, INC. Total
MCKESSON TECHNOLOGIES, INC. Total
MARKET HATCH Total
MEDIVATORS Total
METLIFE GROUP BENEFITS Total
MAIL FINANCE Total
MARKS WHOLESALE Total
MCINTOSH SERVICES, INC. Total
MAD STYLE Total
MEDHOST OF TENNESSEE, INC. Total
MANAGED CARE PARTNERS, INC Total
MAINTENANCE SUPPLY CO., INC. Total
MCCLURE MATTHEW Total
MYHEALTH ACCESS NETWORK, INC. Total
MOLLY & DREW THE BEER BREAD COMPANY Total
NURSE ASSIST, INC Total
NUTRITION MANAGEMENT SERVICES Total
NATUS MEDICAL INC. Total
NIHON KOHDEN AMERICAN, INC. Total
NEW DIRECTIONS Total
NEO ORTHOPEDICS & REHABILITATION, INC Total
NATIONAL BUSINESS INSTITUTE Total
NEWMATIC MEDICAL Total
NOWATA NEWSPAPERS, INC. Total
OSSUR AMERICAS, INC Total
OSBORN DRUGS #166826 Total
O'REILLY AUTO PARTS Total
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM Total
OMNICELL, INC. Total
ONENET Total
OSBORN DRUGS #3093 Total
OSBORN DRUGS #16183 Total
GAIL OFFERMANN Total
OMNI MECHANICAL Total
OTA/PIKEPASS Total
OAK PATCH GIFTS, LLC Total
PHILIPS LIFELINE Total
PRAETORIAN PROTECTIVE SERVICES Total
PRESS GANEY ASSOCIATES, INC Total
PRECISION DYNAMICS CORPORATION Total
ANNE PENDERGRAFT Total
CURTIS PHILLIPS, D.O. PC Total
PATHOLOGY LABORATORY ASSOCIATES Total

PORI ASSOCIATES EEG SUPPLIES Total
PACIFIC MEDICAL Total
PRYOR DAILY TIMES Total
PRUDENT PUBLISHING Total
PREMIER TRUCK & TRAILER Total
PERSHING YOAKLEY & ASSOCIATES, P.C. Total
QUINTECH, INC. Total
THE RUHOF CORPORATION Total
REGIONAL MEDICAL LABORATORY Total
RESPIRONICS Total
RESMED CORP Total
REDSSON Total
RADIOLOGICAL SERVICES, INC. Total
RECTEC Total
RONALD D. TEBBS Total
RADIATION DETECTION COMPANY Total
RED BUD AIR FILTER SALES AND SERVICE Total
RENAUD ENTERPRISES, INC. Total
RURAL MID-SOUTH STAFFING SOLUTIONS Total
RELAYHEALTH Total
RAGAN COMMUNICATIONS, INC. Total
REAL TIME MEDICARE DATA, LLC Total
PATTERSON MEDICAL Total
STERIS CORPORATION Total
SURGICAL ADVANTAGE, LLC Total
STAPLES ADVANTAGE Total
SHERWIN WILLIAMS Total
SAM'S TIRE SHOP Total
STERICYCLE, INC. Total
SMITH & NEPHEW Total
SAINT FRANCIS HOSPITAL Total
SCOTT GROSS CO. INC. Total
SALTER LABS Total
STRYKER ENDOSCOPY Total
THE STANDARD REGISTER COMPANY Total
SUPERIOR LINEN SERVICE INC. Total
SHAMROCK SCIENTIFIC SPECIALTY SYSTEMS, INC. Total
SANOFI PASTEUR, INC. Total
SPACELABS HEALTHCARE Total
SOCIETY FOR HEALTHCARE STRATEGY & MARKET DEVELOPME Total
SHRED-IT Total
STEVE'S MOBILE WASH Total
SYMMETRY SURGICAL Total
SHERWIN WILLIAMS Total
SMITHS MEDICAL ASD, INC Total
SCA PHARMACEUTICALS Total
SPECTRUM HEALTH PARTNERS, LLC. Total

66 APPAREL Total
SURGICAL PRINCIPALS, INC. Total
SUNSET HEALTHCARE SOLUTIONS Total
STRATUS VIDEO, LLC Total
ST. JUDE MEDICAL SC, INC. Total
T-SYSTEM, INC. Total
TEMPERATURE CONTROL SYSTEMS, INC Total
TULSA WORLD Total
MICKEY TYRRELL, PLLC Total
TENACORE Total
TOTALFUNDS BY HASLER Total
TRI-PHARMA, INC. Total
TRIZETTO CORPORATION Total
T.R. ALLEN LEASING CO., LLC. Total
U.S. FOODSERVICE, INC. Total
UP TO DATE INC Total
U.S. CELLULAR Total
UL LLC Total
VINITA DAILY JOURNAL Total
V & V DRUG Total
VINITA UTILITIES AUTHORITY Total
VINITA ROTARY CLUB Total
VINITA LIONS CLUB Total
WRS GROUP, LTD Total
WENDY KINSER Total
ROBERT WELSH Total
WELCH PWA Total
WILD WINGS Total
WURTH LOUIS AND COMPANY Total
WERFEN USA, LLC Total
WILL ROGERS MEMORIAL RODEO Total
WAGEWORKS, INC. Total
YOUNG'S, INC. Total
YP Total
YOURCAREUNIVERSE, INC. Total
ZOLL MEDICAL CORPORATION Total
ZONES, INC Total
Health Insurance
Professional Liability Umbrella policy extensions
Grand Total

NET

\$	10,889.51
\$	7,461.66
\$	4,424.44
\$	22,967.84
\$	35.30
\$	868.84
\$	1,488.07
\$	575.31
\$	15.90
\$	174.19
\$	855.75
\$	660.00
\$	308.75
\$	4,310.00
\$	(175.41)
\$	1,097.00
\$	118.04
\$	3,298.51
\$	1,517.13
\$	957.85
\$	207.72
\$	239.86
\$	14,700.00
\$	1,500.00
\$	2,082.49
\$	35.50
\$	579.00
\$	283.62
\$	23,085.00
\$	65.32
\$	326.60
\$	629.00
\$	4,683.83
\$	2,730.00
\$	720.82
\$	2,760.00
\$	2,448.00
\$	587.02
\$	603.43
\$	397.50
\$	83.60
\$	153.00

\$	3,831.42
\$	7.02
\$	344.50
\$	1,304.30
\$	2,634.24
\$	70.84
\$	700.00
\$	567.00
\$	215.51
\$	162.70
\$	282.75
\$	8,638.79
\$	269.50
\$	2,656.25
\$	14,949.76
\$	26,082.06
\$	2,713.64
\$	19,239.50
\$	1,627.85
\$	146.23
\$	4,908.50
\$	120.00
\$	76.60
\$	40.16
\$	133.10
\$	456.17
\$	164.89
\$	17,561.21
\$	750.00
\$	192.32
\$	1,010.61
\$	10,000.00
\$	2,122.03
\$	125.00
\$	735.92
\$	219.07
\$	500.00
\$	1,630.17
\$	267.21
\$	1,531.60
\$	75,720.77
\$	203.73
\$	1,350.00
\$	267.35
\$	137.42
\$	20,094.05
\$	2,474.00

\$	1,630.87
\$	824.40
\$	246.77
\$	4,822.61
\$	215.76
\$	861.53
\$	272.50
\$	7,430.80
\$	1,375.20
\$	136.50
\$	566.00
\$	153.00
\$	573.30
\$	151.40
\$	315.00
\$	2,196.95
\$	157.04
\$	395.64
\$	4,000.00
\$	400.00
\$	172.93
\$	3,658.39
\$	1,080.00
\$	2,796.79
\$	160.80
\$	1,154.10
\$	324.50
\$	2,187.50
\$	1,346.49
\$	501.60
\$	43,739.17
\$	418.00
\$	7,007.87
\$	1.00
\$	153.00
\$	76.00
\$	669.00
\$	290.12
\$	500.00
\$	3,617.00
\$	47.70
\$	7.09
\$	833.50
\$	726.90
\$	5,000.00
\$	629.86
\$	129.10

\$	4,842.13
\$	315.00
\$	1,000.00
\$	1,551.64
\$	205,848.27
\$	1,933.38
\$	10,562.50
\$	188.09
\$	822.03
\$	1,101.99
\$	204.00
\$	1,600.00
\$	183,710.71
\$	750.11
\$	6,655.36
\$	1,230.00
\$	2,105.07
\$	606.00
\$	1,168.00
\$	510.12
\$	160.00
\$	6,750.00
\$	38.25
\$	1,770.05
\$	293.50
\$	475.52
\$	165.28
\$	15,716.00
\$	392.24
\$	79.63
\$	27,606.99
\$	890.00
\$	286.08
\$	18,123.72
\$	759.81
\$	909.95
\$	2.44
\$	95.32
\$	822.00
\$	208,837.67
\$	11,911.91
\$	2,106.49
\$	580.43
\$	187.64
\$	708.72
\$	191.50
\$	39.96

\$	190.59
\$	450.00
\$	-
\$	9,231.25
\$	1,759.00
\$	7,879.68
\$	348.00
\$	452.00
\$	3,119.68
\$	938.70
\$	499.88
\$	8,675.00
\$	114.60
\$	91,293.65
\$	13,741.00
\$	411.59
\$	6,000.00
\$	1,000.00
\$	114.84
\$	678.43
\$	3,557.40
\$	601.95
\$	819.68
\$	1,949.67
\$	520,154.60
\$	7.95
\$	890.87
\$	101.79
\$	189.87
\$	996.10
\$	80.99
\$	2,454.72
\$	7,928.19
\$	599.80
\$	347.08
\$	47.39
\$	1,500.00
\$	1,422.10
\$	160.00
\$	339.59
\$	3,284.25
\$	2,409.50
\$	3,163.42
\$	749.52
\$	247.52
\$	20,500.00
\$	901.50

\$	160.00
\$	240.00
\$	76.00
\$	492.76
\$	400.00
\$	23,220.00
\$	2,004.60
\$	622.68
\$	62,195.47
\$	15,181.10
\$	(2,218.11)
\$	495.00
\$	15,000.00
\$	990.71
\$	313.00
\$	203.50
\$	888.42
\$	505.65
\$	23,718.75
\$	9,327.92
\$	26.95
\$	5,000.01
\$	228.73
\$	11,024.50
\$	3,404.09
\$	8,445.13
\$	454.48
\$	691.71
\$	2,023.24
\$	2,186.24
\$	58,432.50
\$	3,406.64
\$	35.94
\$	18.38
\$	158.26
\$	(1,362.84)
\$	326.33
\$	8,336.29
\$	85.87
\$	235.00
\$	1,946.54
\$	450.00
\$	164.91
\$	112.84
\$	335.87
\$	3,032.00
\$	146,696.75

\$	7.00
\$	966.62
\$	611.63
\$	138.65
\$	16,758.00
\$	8,887.05
\$	259.20
\$	126.00
\$	1,000.00
\$	436.50
\$	539.70
\$	4,443.00
\$	5,869.78
\$	2,450.00
\$	20,098.82
\$	514.00
\$	1,624.03
\$	320.00
\$	2,200.00
\$	49.80
\$	3,108.45
\$	270.00
\$	800.00
\$	178.00
\$	2,400.00
\$	423.00
\$	55.00
\$	415.23
\$	717.23
\$	28,880.98
\$	400.00
\$	150.75
\$	1,409.64
\$	441.91
\$	6,516.30
\$	257.82
\$	598.81
\$	140,000.00
\$	85,000.00
\$	2,651,884.96

CRAIG COUNTY HOSPITAL AUTHORITY**Exhibit B-2 Prepetition Claims**

<u>VENDOR NAME</u>	<u>NET</u>
AMSAN EVE SUPPLY Total	\$ 34.17
ALCO SALES & SERVICE CO. Total	\$ 343.95
ACTION GRAPHICS PRINTING Total	\$ 983.00
ARMSTRONG MEDICAL Total	\$ 242.52
AMS SALES CORPORATION Total	\$ 2,019.17
A G INDUSTRIES Total	\$ 324.21
ARJOHUNTLEIGH Total	\$ 219.39
ANSPACH EFFORT, INC. Total	\$ 101.00
AMBU, INC. Total	\$ 404.14
BAXTER HEALTHCARE CORP. Total	\$ 413.66
BSN MEDICAL, INC. Total	\$ 41.19
BEN E. KEITH CO. Total	\$ 20,753.76
BG MEDICAL Total	\$ 3,474.93
BEEKLY CORPORATION Total	\$ 250.85
BROADVIEW DISTRIBUTING, LLC Total	\$ 357.00
BEATTY MARKETING & SALES, LLC Total	\$ 192.71
BUILDERS SUPPLY INC Total	\$ 4,848.18
BASIC MRI MEDICAL SYSTEMS, INC Total	\$ 20,606.00
BAKER HEALTHCARE CONSULTING, INC. Total	\$ 28,730.23
COOK MEDICAL INCORPORATED Total	\$ 454.98
CONMED LINVATEC CORPORATION Total	\$ 72.75
CONTEMPORARY CONCEPTS INC. Total	\$ 579.76
CASH REGISTER SYSTEMS, LLC Total	\$ 40.65
CONTOUR PRODUCTS Total	\$ 422.60
COMPUTER SYSTEMS ANALYSIS, INC. Total	\$ 750.00
COVIDIEN Total	\$ 2,460.55
CHANNING BETE COMPANY, INC. Total	\$ 312.28
CIDCO Total	\$ 188.66
DENNIS EAST INTERNATIONAL, LLC Total	\$ 689.62
WILLIAM EMERSON Total	\$ 64.11
FASHION ALERT MEDICAL JEWELRY Total	\$ 183.00
FIRST & MAIN, INC. Total	\$ 81.81
FRESENIUS KABI USA, LLC Total	\$ (105.70)
GRAVES MENU MAKER FOODS Total	\$ 5,264.66
GEORGE JOHNSON APPRAISAL SERVICE, INC. Total	\$ 3,000.00
HOLLISTER INC. Total	\$ 69.90
HILAND DAIRY COMPANY Total	\$ 2,370.58
HMS HEALTH, LLC. Total	\$ 2,500.00
HEALTHPORT Total	\$ 7.51
MEDLINE INDUSTRIES Total	\$ 8,336.58
PHYSIO-CONTROL, INC. Total	\$ 731.40
MERCURY ENTERPRISES, INC. Total	\$ 696.03

MARTIN, JEFF Total	\$ 2.50
MCINTOSH SERVICES, INC. Total	\$ 166,787.71
MAINTENANCE SUPPLY CO., INC. Total	\$ 2,328.83
MALDEN INTERNATIONAL DESIGNS, INC. Total	\$ 259.15
NATUS MEDICAL INC. Total	\$ 427.55
OWENS & MINOR 425160 Total	\$ 54,625.49
OME CORPORATION, LLC Total	\$ 222.60
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM Total	\$ 1,171,096.53
O'NEAL DESIGN Total	\$ 234.95
OPTUM Total	\$ 995.60
PREFERRED MEDICAL PRODUCTS Total	\$ 56.37
PORI ASSOCIATES EEG SUPPLIES Total	\$ 100.00
PC CONNECTION SALES CORP Total	\$ 17,319.13
PEARSON ASSESSMENT Total	\$ 371.00
RESMED CORP Total	\$ 6,315.36
RR DONNELLY Total	\$ 243.53
PATTERSON MEDICAL Total	\$ 800.56
STAPLES ADVANTAGE Total	\$ 11,710.87
SALTER LABS Total	\$ 2,410.07
THE STANDARD REGISTER COMPANY Total	\$ 315.69
SUPERIOR LINEN SERVICE INC. Total	\$ 9,664.29
SANOFI PASTEUR, INC. Total	\$ 9,769.73
SIZEWISE Total	\$ 1,026.00
SMITHS MEDICAL ASD, INC Total	\$ 441.65
SYSCO OKLAHOMA Total	\$ (37.34)
SPECTRUM SURGICAL INSTRUMENTS CORP Total	\$ 564.08
SYSMEX AMERICA, INC. Total	\$ 5,683.50
TAG CONSULTING Total	\$ 10,793.87
3M COMPANY Total	\$ 616.20
TENNANT SALES & SERVICE COMPANY Total	\$ 385.65
VITAL SIGNS, INC. Total	\$ 462.11
VM ELECTRONICS LLC Total	\$ 111.44
Grand Total	\$ 1,589,616.46

**TRUST AGREEMENT OF
THE CRAIG COUNTY HOSPITAL CREDITOR TRUST**

This Trust, known as the Craig County Hospital Creditor Trust Agreement, created pursuant to the Plan. The purpose of this Trust is to provide the means and mechanism for the distribution of cash to the beneficiaries of this Trust. Pursuant to the Plan Chris H. Conine, CPA by and through his professional corporation Chris H. Conine, P.C. shall serve as Trustee of the Trust. The Beneficiaries of the Trust are the holders of Allowed Claims of any of the following: Professional Claims, 506(b) Expense Claims, Post-petition Unsecured Claims, Administrative Claims or Unsecured Claims in Class 7 as described and defined in the Plan. References to Classes of Claims or other provisions of the Plan all refer to the Plan defined hereinbelow.

NOW THEREFORE, this Creditor Trust Agreement is hereby declared as follows:

ARTICLE I

DEFINITIONS

Unless the context otherwise requires all capitalized terms used in this Agreement and not otherwise defined shall have the meanings assigned to them in the Plan. There are several defined terms provided for in the Plan, all of which are incorporated herein. Terms used herein not defined herein or in the Plan which are defined in 11 U.S.C. §101 shall have the meaning as defined therein.

1.1 Trust. The Craig County Hospital Creditor Trust Agreement created pursuant to this Agreement and the Plan.

1.2 Trust Assets. All property as may from time to time be held by the Trustee pursuant to this Agreement.

1.3 Trustee. The person appointed to serve as trustee of this trust, sometimes referred to in the Plan as the Creditor Trustee.

1.4 Beneficiary Advisor. A person appointed to serve as one of the Beneficiary Advisors under this Trust.

1.5 Board of Beneficiary Advisors. The collective group of Beneficiary Advisors sometimes herein referred to as simply the Board.

1.6 Plan. The Plan of Adjustment of the Craig County Hospital Authority in its capacity as Debtor, filed in the Bankruptcy Court on October __, 2016, as supplemented, amended and confirmed by an Order of the Bankruptcy Court entered on November __, 2016.

1.7 Debtor. Craig County Hospital Authority, the Chapter 9 Debtor, in Chapter 9 Bankruptcy Case Number 15-10277-M.

1.8 Bankruptcy Court. The United States Bankruptcy Court for the Northern District of Oklahoma, located in Tulsa, Oklahoma.

1.9 Beneficiary or Beneficiaries. All holders of Allowed Non-Classified Claims (except for 503(b)(9) Claims) and Class 7 Unsecured Creditors under the Plan. Collectively referred to as the "Beneficiaries".

1.10 Agreement. This document and any amendments hereto.

1.11 Approved Decision. Any action or inaction of the Trustee herein that has been approved by the Board as determined by paragraphs 4.17 and 4.18. Any action or inaction of the Trustee herein that has not been so approved by the Board shall not in any way be presumed to be inappropriate, improper or otherwise imprudent and no negative implication or inference shall attach to the Trustee's election not to seek the advice and consent of the Board pursuant to paragraph 4.18. The fact that any action or inaction of the Trustee herein that has not been so approved by the Board shall merely mean that the Trustee elected not to seek the advice and consent of the Board. Except as provided in paragraph 4.17, nothing in this Agreement shall be construed to mean that the Trustee is in any manner required to seek the advice and consent of the Board as provided in paragraph 4.18 as to any particular action or inaction of the Trustee.

ARTICLE II

DECLARATION OF TRUST

2.1 Name. The Trust shall be known as the "Craig County Hospital Creditor Trust", hereinafter referred to as the "Trust".

2.2 Purposes, Undertakings. The principal purpose of the Trust is to provide a means for effective administration of Trust Assets for the benefit of the Beneficiaries. After Confirmation, and as a part of the Closing on the Second and Third Sales, the Closing Agent shall convey and transfer to the Trust the Trust Assets more particularly described in Paragraph 2.3. The Trustee shall make periodic distributions of cash proceeds of the Trust Assets to the Beneficiaries as provided herein. Upon creation of this Trust, the Trustee agrees to undertake and assume the following duties:

- (a) To conserve and protect the Trust Assets;
- (b) To collect and safely maintain amounts due to the Trust in connection with its assets;
- (c) To investigate and pursue to an economic conclusion any and all claims or interests of the Debtor which are against third parties for which the Trustee of this Trust has been appointed as representative for the purpose of settlement or adjustment;
- (d) To analyze all final invoices submitted by Post-petition Unsecured Creditors

and dispute any such invoices as may be deemed appropriate by the Trustee;

(e) To analyze all proofs of claim filed by Class 7 creditors and file or decline to file objections to any such claims as may be deemed appropriate by the Trustee;

(f) To manage the Trust and report on its status and activities in accordance with the terms of this Agreement; and

(g) To proceed in an orderly and businesslike manner to dispose of the Trust Assets through sale, exchange, settlement or other manner for the purpose of converting such Trust Assets to cash, for ultimate distribution in accordance with the terms hereof.

2.3 Transfer of Assets: Debtor by means of the Closing Agent hereby conveys to the Trust to be held in trust for the holders of following Trust Assets:

(a) Creditor Trust Assets defined in the Plan and

(b) The exclusive right to settle and adjust all Recovery Claims of Debtor against any and all third parties and all of the recoveries, and other the proceeds thereof. The Recovery Claims shall include any claims for recovery of the payment of \$607,274.24 to FNBV from the closing on the First Sale to cover the Hospital's overdraft.

2.4 All Trust Assets received by the Trustee shall be held, administered and distributed under the terms of this Agreement.

2.5 Term. The Trust shall be effective as of the Effective Date, and shall remain and continue in full force and effect until the earlier of the conversion of all Trust Assets to cash and all costs, expenses, and obligations incurred in administering this Trust have been fully paid and discharged, and all remaining income, proceeds and product of the Trust Assets have been distributed to Beneficiaries, or eight years after the Effective Date of the Plan, unless a court of competent jurisdiction enters an order extending term hereof.

ARTICLE III

TRUSTEE

3.1 Number. There shall be one Trustee of the Trust.

3.2 Qualifications. A Trustee must be a natural person of good moral character and must have attained the age of 30 years and whose experience and background are appropriate to the responsibilities of a Trustee hereunder.

3.3 Term of Service.

(a) The Trustee shall serve for the duration of the Trust subject to his or her earlier death, incapacity, resignation or removal.

(b) The Trustee may resign at any time by written notice to the Bankruptcy Court and the Board specifying the date when such resignation shall take effect. The Trustee shall attempt, where possible, to give notice of resignation not less than ninety (90) day before such resignation is to take effect. In no event shall the resignation be effect in less than 30 days after notice is given as provided herein.

(c) The Trustee may be removed from office by the Bankruptcy Court or other court of competent jurisdiction if the Bankruptcy Case is closed on motion of the Board and a determination by the Court that such removal is appropriate upon good cause shown.

3.4 Appointment of Successor Trustee.

(a) In the event of the death, resignation, incapacity to serve or removal of the Trustee prior to the termination of this Trust, a successor Trustee shall be appointed by the Board. The Court shall retain jurisdiction to resolve any disputes between the Trustee and the Board.

(b) Upon the acceptance of office by any successor Trustee, all right, title, duties, powers, and authority of the predecessor Trustee under this Agreement shall be vested in and undertaken by the successor Trustee without any further act being required. No successor Trustee shall be liable personally for any act or omission of his or her predecessor.

3.5 Liability of Trustee. No Trustee shall be liable to the Trust or to any Beneficiary except for such Trustee's own gross negligence, bad faith, or willful misconduct. No Trustee shall be liable for any act or omission of any agent or employee of the Trust unless that Trustee acted with gross negligence, bad faith, or willful misconduct. No Trustee shall be liable for any act or omission of any agent or employee of the Trust unless that Trustee acted with gross negligence, bad faith, or willful misconduct in the selection or retention of such agent or employee. All actions taken and determinations made by the Trustee shall, unless otherwise provided in (or unless contrary to the provisions of) this Agreement, the Plan, or a Final Order, be final and binding upon persons having any interest in the Trust.

3.6 Compensation and Expenses of Trustee. The Trustee shall receive as compensation at his customary hourly rates, subject to approval by the Board as provided in 4.17 of this Trust.

3.7 Indemnification of Trustee.

(a) The Trustee, or former Trustee, who was, or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding of any

kind, whether civil, administrative, or arbitative, and whether brought by or against the Trust, by reason of such Trustee being or having been Trustee of the Trust, serving, or having served, in any capacity at the request of and on behalf of the Trust having served in such capacity by virtue of holding a beneficial interest in this Trust, shall be indemnified by the Trust against expenses, costs and fees (including reasonable attorneys' fees,) judgments, fines, penalties, awards, costs, amounts paid in settlement, and liabilities of all kinds incurred by such Trustee in connection with or resulting from such action, suit, or proceeding, if such Trustee in good faith and in a manner which such Trustee reasonably believed to be in the best interests of the Trust.

(b) The indemnification provided in Paragraph 3.7(a) is expressly limited to the Trust Assets at the time at which such expenses, costs and fees, judgments, fines, penalties, awards, costs, amounts paid in settlement, and liabilities are incurred. The Beneficiaries shall have no obligation to indemnify the Trustee or others except to the extent of such Beneficiary's interest in the assets of the Trust Assets at such time. The Trustee will not be entitled to exoneration from any Beneficiary personally.

(c) Any indemnification under Paragraph 3.7(a) of this Agreement shall be made by the Trust upon a determination that indemnification is proper under the circumstances.

(d) Reasonable expenses, costs and fees (including reasonable attorneys' fees) incurred by or on behalf of a Trustee in connection with any such action, suit, or proceeding, whether civil, administrative, or arbitative, may be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such Trustee to repay such amount unless it shall be determined ultimately that he is entitled to be indemnified by the Trust.

(e) The Trustee shall have the power, generally or in specific cases, to cause the Trust to indemnify the employees and agents of the Trust to the same extent as provided in this Paragraph 3.7 with respect to the Trustee.

3.8 Lien. The Trustee shall have a lien upon the Trust Assets to secure the payment of any amounts payable to him pursuant to Paragraph 3.6. The Trustee indemnified in Paragraph 3.7 shall have a lien upon the Trust Assets to secure the payment of any amounts payable to them pursuant to Paragraph 3.7. Such amount shall be payable only from the Trust Assets.

3.9 Reliance by Persons Dealing with Trust. Any Person dealing with the Trust may rely in good faith upon any certificate or other instrument signed by the Trustee, or upon any certificate or other instrument signed by any officer or agent of the Trust whose authority is evidenced by a certificate or other instrument signed by the Trustee, without the necessity of further inquiry by such person into the authority of such Trustee, officer or agent to act on behalf of the Trust.

3.10 Bond. The Trustee shall post a bond equal to 105% of the cash on hand. The

bond shall be with a surety or insurance company with at least an A rating in the latest printing of the A.M. Best's Key Rating. The premium for the bond shall be paid from the Trust Assets.

3.11 Representative of the Debtor. The Trustee appointed by the Plan and this Trust shall constitute a representative of the Debtor appointed for the purpose of settlement or adjustment of the claims or interests belonging to the Debtor which are reserved for the benefit of this Trust and the Beneficiaries hereof pursuant to 11 U.S.C. §1123(b)(3)(B). The Debtor also hereby irrevocably designates and appoints the Trustee as the Attorney-In-Fact for the Debtor for the purpose of settlement or adjustment of the claims or interests belonging to the Debtor that are reserved for the benefit of this Trust.

ARTICLE IV

BENEFICIARY ADVISORS

4.1 Creation. Selection and Compensation. The Beneficiaries holding the 3 largest unsecured claims against the Debtor, as set forth in the attached Exhibit "1" shall constitute the Beneficiary Advisors hereunder. The Beneficiary Advisors shall serve without compensation; however, upon submission of documentation to the Trustee they may be reimbursed for reasonable out-of-pocket expenses incurred in the course of dealings hereunder. The obligations of the Beneficiary Advisors shall be to appoint a new trustee in the event the existing Trustee hereunder resigns or is otherwise removed and to review and approve or disapprove the fees and expenses of the Trustee and any professional retained by the Trustee.

Each person solicited to serve as Beneficiary Advisor must affirmatively accept such nomination in writing within twenty one 21 days of the execution of this Trust. The Trustee shall send a written request for such acceptance to each party and if such party is willing and able to serve upon the terms stated herein, such party must acknowledge and accept such appointment by returning the written request with their signature affixed thereto within fourteen (14) days of the receipt of such written request. If at least 3 persons accept the appointment, then no further solicitations will be made. If fewer than 3 persons accept the appointment, then an additional 5 written solicitations will be sent to the Beneficiaries holding the next 5 largest claims. This process will continue in the same manner until at least 3 persons accept the appointment, whereupon no further solicitations will be made. The acceptance of the written solicitation by a party shall constitute their appointment as a Beneficiary Advisor under this Trust. The Trustee shall provide a written list of the persons appointed to serve as Beneficiary Advisors to Creditor Trustee and all beneficiaries of this Trust. If at least creditors do not agree to participate as members of the board of B

4.2 Liability of Beneficiary Advisors. No Beneficiary Advisor or Beneficiary shall be liable to the Trust or to any other Beneficiary Advisor or Beneficiary and their beneficial interests in the Trust Assets shall not be charged except for such Beneficiary Advisor's or Beneficiary's own gross negligence or willful misconduct. No Beneficiary Representative shall be liable for any act of omission of the Trustee or any agent or employee of the Trust. The Beneficiary Advisor shall not be liable for any action taken in good faith and in accordance with the advice of

their respective counsel or in accordance with the advice of counsel retained by the Trustee.

4.3 Resignation of Beneficiary Advisors. Any Beneficiary Advisor appointed hereunder may resign at any time upon 30 days written notice to the Trustee and the other members of the Board.

4.4 Number of Board Members. The number of Beneficiary Advisors which shall constitute the whole Board shall be not less than three (3), nor more than seven (7). The identity and initial appointment of the Board shall be pursuant to Section 4.1 above. Thereafter, within the limits above specified, the number of Beneficiary Advisors shall be determined by resolution of the Board of Beneficiary Advisors. Each director elected shall hold office until such director's earlier resignation or removal. Beneficiary Advisors must be a Beneficiary of this Trust.

4.5 Appointments by the Board. Except as provided in Section 14 of this Article II, vacancies and additional appointed created Beneficiary Advisors resulting from any increase in the authorized numbers of Beneficiary Advisors by the Beneficiary Advisors may be filled by a majority of the Beneficiary Advisors then in office, though less than a quorum, and any Beneficiary Advisors so chosen shall until such director resigns or is removed.

4.6 Officers of the Board. The Board at its first meeting and after each annual meeting shall choose a President and a Secretary, and may choose such other officers and agents as it shall deem necessary. The Chairman, or, in the absence of the Chairman, a Vice-Chairman of the Board, if chosen, shall preside at all meetings of the Board, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

4.7 Meetings. The Board of Beneficiary Advisors may hold meetings, both regular and special, either within or without the State of Oklahoma. Regular meetings of the Board of Beneficiary Advisors may be held at such time and at such place as shall from time to time be determined by the Board. Seven (7) days' notice of all regular meetings shall be given, and such notice shall state the place, date, hour and the business to be transacted at and purpose of such meeting. Special meetings of the Board may be called by any Beneficiary Advisor on fourteen (14) days' notice to each Beneficiary Advisor either personally or by mail or by telegram or by facsimile. Notice of any special meeting shall state the place, date, hour and the business to be transacted at and the purpose of such meeting. The Creditor Trustee may attend any meeting of the Board, but is not required to do so.

4.8 Quorum. At all meetings of the Board, a majority of the Beneficiary Advisors shall constitute a quorum for the transaction of business, and the act of a majority of the Beneficiary Advisors present at any meeting at which there is a quorum shall be the act of the Board of Beneficiary Advisors. If a quorum shall not be present at any meeting of the Board of Beneficiary Advisors, the Beneficiary Advisors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

4.9 Attendance. Members of the Board of Beneficiary Advisors may participate in a meeting of such Board by means of telephone conference or similar communications equipment that

enables all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at such meeting.

4.10 Consent to Action. Any action required or permitted to be taken at any meeting of the Board of Beneficiary Advisors may be taken without a meeting, if a written consent to such action is signed by all members of the Board as the case may be, and such written consent is filed with the minutes of proceedings of the Board.

4.11 Compensation. The Beneficiary Advisors may be paid their expenses, if any, of attendance at such meeting of the Board of Beneficiary Advisors and other out of pocket expenses incurred in the course of the performance of their duties, but may not otherwise be paid compensation.

4.12 Removal of Board Members. The Board of Beneficiary Advisors at any time may, by affirmative vote of a majority of the members of the Board then in office, remove any officer elected or appointed by the Board of Beneficiary Advisors for cause or without cause.

4.13 Appointment of Replacement of Board Members by Trustee. Upon the removal, resignation, incapacity or death of a Beneficiary Advisor, the Creditor Trustee may solicit additional persons to serve on the Board. So long as the number of the members of the Board shall be no less than three (3), additional solicitations shall be permitted, but not required. In the event the number of the members of the Board shall be less than three (3), then additional solicitations shall be required. The Trustee shall send a solicitation for additional Board Members in a manner consistent with the process set forth in paragraph 4.1 above.

4.14 Notices. Any and all Notices to Beneficiary Advisors and the Trustee related to any provision of this Trust shall be in writing and delivered personally or mailed to the Beneficiary Advisors or the Trustee at their addresses appearing on the Debtor's schedules unless a different address is provided in writing to the Board and the Trustee. Notice by mail shall be deemed to be given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice to Beneficiary Advisors or Trustee may also be given by facsimile or telegram. Notice by telegram shall be deemed to be given when delivered to the sending telegraph office. Notice by facsimile shall be deemed given receipt of transmission receipt to the fax number of the party. The Trustee and each member of the Board shall provide a fax number to all other Board members and the Trustee. Whenever any notice is required to be given under these provisions a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

4.15 Indemnification of Board Members.

(a) All Beneficiary Advisors or former Beneficiary Advisors who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding of any kind, whether civil, administrative, or arbitative, and whether brought by or against the Trust, by reason of such Beneficiary Advisors being or having been a member of the Board, serving or having served in any capacity at the request of and

on behalf of the Trust having served in such capacity by virtue of holding a beneficial interest in this Trust, shall be indemnified by the Trust against expenses, costs and fees (including reasonable attorneys' fees,) judgments, fines, penalties, awards, costs, amounts paid in settlement, and liabilities of all kinds incurred by such Beneficiary Advisor in connection with or resulting from such action, suit, or proceeding, if such Beneficiary Advisor in good faith and in a manner which such Beneficiary Advisor reasonably believed to be in the best interests of the Trust.

(b) The indemnification provided in Paragraph 4.15(a) is expressly limited to the Trust Assets at the time at which such expenses, costs and fees, judgments, fines, penalties, awards, costs, amounts paid in settlement, and liabilities are incurred. The Beneficiaries shall have no obligation to indemnify any Beneficiary Advisor or others except to the extent of such Beneficiary's interest in the assets of the Trust Assets at such time. Beneficiary Advisor will not be entitled to exoneration from any Beneficiary personally.

(c) Any indemnification under Paragraph 4.15(a) of this Agreement shall be made by the Trust upon a determination by the Trustee that indemnification is proper under the circumstances.

(d) Reasonable expenses, costs and fees (including reasonable attorneys' fees) incurred by or on behalf of a Beneficiary Advisor in connection with any such action, suit, or proceeding, whether civil, administrative, or arbitative, may be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such Beneficiary Advisor to repay such amount unless it shall be determined ultimately that he is entitled to be indemnified by the Trust.

4.16 Duties and Authority of the Board. The purpose of the Board is to: approve the Trustee's actions on issues related to the compensation of professionals; provide advice and consent on any other action or inaction of the Trustee submitted to the Board; pursuant to paragraph 3.4 appoint a new Trustee in the event the existing Trustee is no longer serving for any reason; and represent the interests of the Beneficiaries during the existence of this Trust.

4.17 Approval of Professional Compensation. Prior to the payment of any fees or reimbursement of expenses to the Trustee pursuant to paragraph 3.6 or to any professional employed by the Trustee under paragraph 5.6, the Trustee shall send a detailed written statement to the Board specifying the amount to be paid. Unless at least one of the Beneficiary Advisors objects to proposed payment in writing within seven (7) days, then the Trustee shall be authorized to make the proposed payment and the amount of such payments shall be deemed reasonable and proper for all purposes. If at least one of the Beneficiary Advisors timely objects in writing, then within fourteen (14) days, such Beneficiary Advisor must give proper notice of a special meeting of the Board to consider and resolve the proposed payment and any objections thereto. The decision of the Board shall be final. If the objecting Beneficiary Advisor fails to timely provide notice of the special meeting of the Board contemplated by this paragraph, then the objection shall be deemed abandoned and the Trustee shall be authorized to make the proposed payment and the amount of such payments shall be deemed reasonable and proper for all purposes. Any proposed payment

authorized or approved under this paragraph shall constitute an Approved Decision.

4.18 Advice and Consent. The Trustee may at the Trustee's option seek the advice and consent of the Board on any proposed action or inaction. If the Trustee elects to seek the advice and consent of the Board as provided in this paragraph, the Trustee shall send a detailed written statement to the Board specifying the proposed action or inaction. Unless at least one of the Beneficiary Advisors gives notice of their objection to proposed action or inaction in writing within seven (7) days, then the Trustee's decision regarding such matter shall be conclusively deemed to be approved by the Board and shall not be subject to further review or challenge by the Board or any Beneficiary in any manner. If at least one of the Beneficiary Advisors timely gives notice of an objection in writing, then within fourteen (14) days, such Beneficiary Advisor must give proper notice of a special meeting of the Board to consider the Trustee's proposed action or inaction, provide advice to the Trustee regarding such matters and resolve the proposed action or inaction and any objections thereto. The decision of the Board shall be final. If the objecting Beneficiary Advisor fails to timely provide notice of the special meeting of the Board contemplated by this paragraph, then the objection shall be deemed abandoned and the Trustee's decision regarding such matter shall be conclusively deemed to be approved by the Board and shall not be subject to further review or challenge by the Board or any Beneficiary in any manner. Any and all actions or inactions authorized or approved under this paragraph shall constitute an Approved Decision.

4.19 Failure of Board. In the event the Board shall have insufficient members to act or shall fail to obtain sufficient participation to constitute a quorum, then the Trustee may seek approval of any proposed action or inaction from the Bankruptcy Court after giving fourteen (14) days' notice and opportunity to file objections to the Beneficiaries. Any and all actions or inactions authorized or approved by the Bankruptcy Court under this paragraph shall constitute an Approved Decision.

ARTICLE V

FINANCIAL MANAGEMENT

5.1 Accounts. The Trustee shall establish such funds and accounts as he shall, in his discretion, deem necessary or advisable for carrying out the purposes of the Trust.

5.2 Cash Assets. All cash assets of the Trust shall be held by the Trustee until distributed in accounts fully insured by the Federal Deposit Insurance Corporation or in accounts in financial institutions with capital in excess of \$100,000,000 or shall be invested in securities guaranteed by the United States of America. The Trustee shall endeavor to maintain the Trust's cash assets in interest bearing accounts of reasonable maturities taking into account the liquidating nature of the Trust. The Trustee shall not invest Trust Assets or hold Trust Assets in accounts other than those described herein without the advice and consent of the Board as provided in paragraph 4.18 of this Agreement.

5.3 Trust Powers. Subject to the provisions and limitations of §VI.C of the Plan and this Agreement, the Trustee shall have the power to take any and all actions as, in his sole judgment

and discretion, are necessary or advisable to effectuate the purposes of the Trust and any power reasonably incidental thereto.

5.4 Accounting and Reporting.

(a) The Trustee shall immediately upon appointment, establish and maintain a separate operating account, or accounts in accordance with Paragraph 5.2 of this Agreement. At a minimum, said operating account shall at all times contain funds sufficient to cover the ordinary and reasonable costs, expenses and obligations incurred by the Trustee in administering the Trust, including, but not limited to, those described in Paragraph 5.3 hereof (hereinafter the "Operating Reserve").

(b) In the event the Trustee directs a cash distribution from the Trust, all payments shall be Pro Rata and the Beneficiaries shall be paid as provided in Paragraph 6.1 hereof.

(c) The Trustee shall keep, or cause to be kept, books containing a description of all property that, from time to time, constitutes the Trust Assets, and an accounting of receipts and disbursements, which shall be open to inspection by Beneficiaries at reasonable times. The Trustee shall otherwise keep the Beneficiaries fully informed in the matters of the Trust by furnishing to the Beneficiary Advisors, semi-annually a statement of receipts and disbursements for the Trust for the period since his last statement and including a listing and description of each of the assets of the Trust as of the date of such report. In the event any Beneficiary desires a copy of any reports produced by the Trustee, they may receive a copy of the same at their expense upon written request to the Trustee.

(d) All costs, expenses and obligations incurred by the Trustee in accordance with the provisions of this Agreement in administering this Trust or in any manner connected, incidental or related thereto, including those of attorneys, accountants and other persons employed by the Trustee to assist in the administration of the Trust Assets, shall be a charge against the Trust Assets; provided, however, that all costs, expenses and obligations incurred by the Trustee relating to a specific asset of the Trust Assets or to a specific cause of action shall be a charge against only that asset or the recovery from such cause of action and shall not be a charge against any other Trust Assets. The Trustee shall maintain adequate reserves for such payment prior to making distribution to the Beneficiaries.

5.5 Tax Returns: Tax and Other Payments. The Trustee shall timely file such income tax and other returns, reports and statements as are required to comply with applicable provisions of the Internal Revenue Code and of any state law and the regulations promulgated thereunder. The Trust shall be responsible for paying taxes and any other obligations or liabilities of any and all kinds whatsoever which at any time are lawfully levied, assessed upon or become payable in respect of the Trust or the Trust Assets, from assets of the Trust Assets.

5.6 Employment of professionals. The Trustee may retain such professionals, including but not limited to attorneys, accountants, appraisers, financial advisors, stock brokers and

economists, as the Trustee deems appropriate. The Trustee may compensate such professional(s) for their usual and customary fees and reimburse out-of-pocket expenses incurred by such professionals as the Trustee deems reasonable and appropriate. The Trustee may not receive compensation from the Trust as a professional. All compensation and reimbursement paid to the Trustee for services rendered shall be solely pursuant to Paragraph 3.6 above.

ARTICLE VI

DISTRIBUTIONS

6.1 Required Distributions.

(a) The Trustee shall distribute to each holder of an Allowed Class Claim amounts payable as determined in accordance with the Plan in Pro Rata distribution, only to the extent of the unpaid balance of such Allowed Claims.

(b) Distributions shall be made when the cash available for distribution exceeds \$250,000.00; provided, however, that the Trustee may distribute less than such amount, in its sole discretion, if to do so would be economically reasonable to avoid undue expense in relation to the amounts to be distributed by the Trustee.

(c) At such time as all Trust Assets have been liquidated and collected, remaining funds on hand shall be distributed after payment of permitted fees and expenses.

(d) The order of priority for Distributions hereunder shall be: (1) Allowed Professional Claims, (2) Allowed 503(b) Claims, (3) Allowed Administrative Claims, (4) Allowed Unsecured Post-petition Claims, and (5) Allowed Class 7 Claims. Claims of less priority shall not receive any Distribution until Claims of higher priority are paid in full.

ARTICLE VII

GENERAL PROVISIONS

7.1 Irrevocability. The Trust is irrevocable except as provided below in paragraph 7.8.

7.2 Recordation. This Agreement shall be recorded in such places the Trustee deems advisable. The failure to make such recordation shall not affect the validity of this Trust as between any or all of the parties and Beneficiaries of this Trust.

7.3 Termination. The Trust shall terminate automatically upon the date on which all Trust Assets have been liquidated and all proceeds thereof distributed pursuant to Paragraph 6.1.

7.4 Severability. Should any provision of this Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Agreement.

7.5 Headings. The headings used in this Agreement are inserted for convenience only and shall not affect the construction of any provisions of this Agreement.

7.6 Governing Law. The laws of Oklahoma shall govern the interpretation and validity of the provisions of this Agreement and all questions relating to management, administration and investment of the Trust and the Trust Assets.

7.7 Trust Location. The offices of the Trustee shall be maintained at the office of the Trustee.

7.8 Amendment. When necessary to carry out the purposes of the Trust, this Agreement may be amended by an instrument signed by the Trustee and a majority of the Board. If no Board is formed, then subject to the approval by the Bankruptcy Court or other court of competent jurisdiction if the Bankruptcy Case is closed.

7.9 Disputes regarding Trustee's actions. Any Beneficiary who disagrees with any action or inaction of the Trustee herein that is not an Approved Decision, may seek a review of such action or inaction only as provided in this paragraph. Actions or inactions which are Approved Decisions are deemed final and are subject to judicial review only if grant of the Approved Decision was arbitrary and capricious. Actions or inactions which are not Approved Decisions must first be brought before the Board at a regular or special meeting and no other proceeding may be instituted or commenced unless there has first been a final decision of the Board. If after such final decision of the Board is obtained the Beneficiary desires further review, such review must be resolved by the Bankruptcy Court. If the Bankruptcy Case is closed and the Bankruptcy Court declines to reopen the Bankruptcy Case, then the dispute must be resolved and determined by arbitration. The arbitration proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association in effect at the time a demand for arbitration under the Rules is made. The decision of the arbitrators, including determination of the amount of any damages suffered, will be exclusive, final and binding on the Trust, the Trustee, the Board and the Beneficiaries, their heirs, executors, administrators, successors and assigns. Each party will bear that party's own expenses in the arbitration proceedings for arbitrators' fees and attorney fees, for that party's witnesses, and other expenses of presenting the case. Other arbitration costs, including administrative fees and fees for records or transcripts, will be borne equally by the parties to the arbitration.

7.10 Allocation of costs of defense. In the event any Beneficiary shall commence legal proceedings which in any way require the Trustee to incur costs or expenses to defend such actions and in the event the Beneficiary is not the prevailing party in such action, then the Trustee may, in his sole and absolute discretion allocate all of such costs or expenses to the interest of such Beneficiary and deduct all such costs or expenses from any distribution to such Beneficiary.

Executed on the ____ day of _____, 2016.

Craig County Hospital Authority
Reorganized Chapter 9 Debtor

Jete Edmission, Interim CEO

Craig County Hospital Creditor Trust

Chris H. Conine, on behalf of Chris H. Conine
PC, Trustee

SFHS – CRAIG COUNTY GENERAL HOSPITAL – ASSUMED CONTRACTS & ADDRESSES

	Contracts:	Address:	Cure Payments
1.	Business Solutions Provider (BSP) Agreement by and between Brightree Inc. and Craig General Hospital, effective October 31, 2006.	Brightree 2763 Meadow Church Road, Suite 205 Duluth, GA 30097	\$00.00
2.	Software and Services Agreement by and between Callibra, Inc. and Craig General Hospital dated January 6, 2011.	Callibra, Inc., dba Discharge 1-2-3 150 N. Martingale Road, Suite 838 Schaumburg, IL 60173 Phone: 847.605.2125 Fax: 866.361.3845	\$1,050.00
3.	Equipment Performance Solution Agreement by and between Craig General Hospital and HMS Health LLC dated February 7, 2013.	HMS Health LLC Attn: General Counsel 740 Spirit 40 Park Drive Chesterfield, Missouri 63005 Phone: 636.536.0835 Fax: 636.536.0836	\$8,784.88
4.	Maintenance Agreement Number 121107 by and between Hologic, Inc. and Craig General Hospital, dated September 9, 2014.	Hologic, Inc. 35 Crosby Drive Bedford, MA 01730 Phone: 781.999.7300 Fax: 781.280.0670	\$15.00
5.	MRI Maintenance Service Agreement by and between Craig General Hospital and Med Imaging, LLC last signed November 12, 2015.	Med Imaging LLC 136 Arkota Shores Dr. Hot Springs, Arkansas 71913 Phone: 501.262.0244 Fax: 501.325.2482	\$00.00
6.	Service Contract – eRad PACS System by and between Merry X-Ray Corporation and/or SourceOne Healthcare Technologies, Inc. and Craig General Hospital effective as of December 1, 2015.	Merry X-Ray / Sourceone Healthcare 4444 Viewridge Ave Ste A San Diego, CA 92123 Phone: (918) 740-3964 Fax: (918) 550-8303	\$19,687.66
7.	Equipment Service Agreement Number 500016573 by and between Olympus America Inc. and Craig County General Hospital, effective as of June 1, 2015.	Olympus America Attn: Service Contracts Team 3600 Corporate Parkway Center Valley, PA 18034 Phone: (800) 401-1075 Fax: (484) 896-7154	\$7,356.96
8.	Master Lease Agreement Number 0010174 by and between Olympus America Inc. and Craig County Hospital Authority, dated as of March 30, 2011.	Olympus America Attn: Olympus Financial Services 3600 Corporate Parkway Center Valley, PA 18034 Phone: (800) 401-1075 Fax: (484) 896-7154	\$00.00

9.	Fixed Periodic Payment (FPP) Schedule Number 004 to Master Agreement Number 0010174 by and between Olympus America Inc. and Craig County Hospital Authority effective as of February 1, 2016.	Olympus America Attn: Olympus Financial Services 3600 Corporate Parkway Center Valley, PA 18034 Phone: (800) 401-1075 Fax: (484) 896-7154	\$504.55
10.	Service Agreement Number 00014557-171847-000 by and between Ortho-Clinical Diagnostics, Inc. and Craig County Hospital Authority, d/b/a Craig general Hospital, effective as of November 8, 2013, as amended by Amendment #1 to Service Agreement last signed November 1, 2012.		\$00.00
11.	Service Agreement Number 51010844 by and between Craig General Hospital and Sysmex America, Inc., commencing December 18, 2005.	Sysmex America, Inc. 577 Aptakisic Road Lincolnshire, IL 600069-4325 (224) 543-9500	\$5,683.50
12.	Sales Agreement and Order Form (Includes purchase order for agreements AQ8374 and AQ8374-01 and Maintenance Sales Agreement (Document CF 0209 Rev.H) by and between TeraRecon, Inc. and Craig General Hospital effective September 20, 2012, as renewed effective September 19, 2016.	TeraRecon Inc. 4000 East Third Avenue, Suite 200 Foster City, CA 94404 Phone: 650-372-1100 Fax: 650-653-4329	\$00.00
13.	Toshiba Service Agreement (SVC QT # 62938) by and between Craig General Hospital) and Toshiba Medical Systems, Inc., dated December 3, 2014.	Toshiba America Medical Systems, Inc. 2441 Michelle Drive Tustin, CA 92780 Phone: (714) 730-5000	\$00.00
14.	Toshiba Service Agreement (SVC QT # 78481) by and between Craig General Hospital and Toshiba America Medical Systems, Inc. dated July 31, 2015.	Toshiba America Medical Systems, Inc. 2441 Michelle Drive Tustin, CA 92780 Phone: (714) 730-5000	\$39,524.52
15.	Short Form Lease Agreement No. 22241079 by and between Craig County Hospital Authority and Stryker Finance, a division of Stryker Sales Corporation dated August 20, 2013.	Stryker Finance, a division of Stryker Sales Corporation 1901 Romence Road Parkway Portage, MI 49002	\$11,031.51

16.	Amended and Restated Lease Schedule No. 001 to Master Lease Agreement No. TFG/CC 042913 by and between TFG-Oklahoma, L.P. and Craig County Hospital Authority, dated May 7, 2014, and all certificates, exhibits, etc. thereto, and that Notice of Assignment by and between TFG-Oklahoma, L.P., Craig County Hospital Authority and Bank of American Fork dated May 7, 2014.	Bank of American Fork 33 East Main Street American Fork, UT 84003 TFG-Oklahoma, L.P. 6995 Union Park Center, Suite 400 Cottonwood Heights, UT 84047	\$00.00
17.	Independent Contractor Agreement by and between Direct Reimbursement Solutions, Inc. and Craig General Hospital dated effective February 13, 2012.	Direct Reimbursement Solutions, Inc. 410 Oxford Road Palm Harbor, FL 34683 727.729.3174	\$4,540.36
	Leases:		
18.	Lease Agreement by and between Craig County Hospital Authority d/b/a Craig General Hospital (“Lessor”) and Martin Grotheer (“Lessee”) dated October 1, 2013 and Addendum to Office Space Lease Agreement by and between Craig County Hospital Authority d/b/a Craig General Hospital (“Landlord”) and Martin Grotheer, M.D. (“Tenant”), dated effective as of August 18, 2015 for 10 S Treaty Road, Miami, Oklahoma 74354	Martin Grotheer, M.D. 10 S Treaty Road, Miami, Oklahoma 74354	\$00.00
19.	Lease Agreement by and between Craig County Hospital Authority (“Lessor”) and Mercy Clinic Joplin, LLC (“Lessee”) dated September 1, 2015, as amended for property located at 10 S Treaty Road, Miami Oklahoma 74354.		
20.	Lease Agreement by and between Osborn Drugs No. 2, Inc. (“Lessor”) and Craig County Hospital Authority d/b/a Craig General Hospital (“Lessee”) effective March 1, 2012.	Mercy Health Central Communities Attn: Jim Hopkins 1235 E. Cherokee St. Springfield, MO 65804	\$00.00

AGREEMENT FOR LIMITATION OF LIABILITY

This Agreement, made and entered into this ____ day of October, 2016 by and among the Oklahoma Public Employees Retirement System, a body corporate and an instrumentality of the State of Oklahoma, existing pursuant to Okla. Stat. tit. 74 §901 *et seq.* ("OPERS"), Craig County Hospital Authority, an Oklahoma Public Trust ("CCHA") and Saint Francis Hospital Vinita, Inc., an Oklahoma non-profit corporation ("Saint Francis").

W I T N E S S E T H :

WHEREAS, CCHA has been a participant in the Oklahoma Public Employee Retirement System and elected to withdraw from that system by a resolution of its Board of Trustees dated November 20, 2014, with the withdrawal date being December 1, 2014, and,

WHEREAS, CCHA filed its voluntary Petition pursuant to Chapter 9 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Oklahoma on February 25, 2015 in Case No. 15-10277 ("the Bankruptcy Case") and,

WHEREAS, OPERS has filed a creditor's claim in the Bankruptcy Case scheduled as Proof of Claim No. 32, filed January 28, 2016 ("the OPERS Claim") in the sum of \$1,171,096.53 and which amount represents the full amount of the OPERS Claim and is not reduced based on a compromise or settlement and,

WHEREAS, CCHA has proposed a Plan for the Adjustment of Debts of Craig County Hospital Authority ("the Plan") which contemplates the liquidation of the assets of CCHA and,

WHEREAS, Saint Francis desires to purchase substantially all of the assets of CCHA but wishes to have assurance that OPERS will not at any time seek to recover from CCHA and/or Saint Francis any type of claim whatsoever, whether known or unknown, apart from the payment in full, pursuant to the Plan, of the OPERS Claim and,

WHEREAS, OPERS desires to induce Saint Francis to complete the purchase of the CCHA assets, such purchase being necessary to fund the payment of the OPERS Claim through the Bankruptcy Case.

NOW THEREFORE, the parties agree as follows:

1. Acknowledgment of Bankruptcy Court Jurisdiction. OPERS, having filed the OPERS Claim in the Bankruptcy Case, acknowledges that it and the OPERS Claim are fully subject to the jurisdiction of the United States Bankruptcy Court for the Northern District of Oklahoma in the Bankruptcy Case. OPERS further acknowledges that it will be bound by all provisions of the Plan upon the confirmation of the Plan.

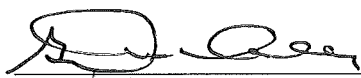
2. Assurance of Non-Liability. In accordance with the Office of the Attorney General [2012 OK AG 18], OPERS agrees that, upon payment of the OPERS Claim in full pursuant to the Plan, OPERS will not thereafter at any time, (i) seek to recover from CCHA and/or from Saint Francis or any of its affiliates any type of claim whatsoever, whether known or unknown, that it may or might have related to the Bankruptcy Case or (ii) institute any type of proceedings or process, seeking any damages or other relief arising from or in any way related to the OPERS Claim or any matter that it may or might have related to the Bankruptcy Case.

3. Based on all of the facts and information, OPERS has determined that the total amount owed under the OPERS Claim is One Million, One Hundred Seventy One Thousand and Ninety Six Dollars and 53/100 (\$1,171,096.53). This amount represents the full and total amount of the OPERS Claim and is not, in any way, reduced based on a compromise or settlement.

4. Approval by OPERS Board. This Agreement shall be approved by a motion before the OPERS Board of Trustees and the Motion and vote will be recorded in the Board minutes and a copy of the minutes will be provided Saint Francis prior to confirmation of the Plan, provided, further, that should the Bankruptcy Court fail to approve this Agreement or to confirm a plan providing for the payment in full of the OPERS Claim, this Agreement shall be null, void, and of no further effect.

IN WITNESS WHEREOF, the parties have given their signatures on the date first hereinabove written.

OKLAHOMA PUBLIC EMPLOYEE
RETIREMENT SYSTEM

By: 
Its Chairman

SAINT FRANCIS HOSPITAL VINITA, INC.

By: _____
Its President and Chief Executive Officer

CRAIG COUNTY HOSPITAL AUTHORITY

By: _____
Cecil Egnor, Chairman of its Board of
Trustees

Craig General Hospital
Estimated Distribution of Sale Proceeds

	As of 9/29/2016	1st Sale 9/29/2016 \$2,000,000	2d & 3d Sales Closing \$8,000,000	Aggregate Sale \$10,000,000
Purchase Price				
Secured Debt				
Arvest Bank - MKI Building	\$1,619,779		(\$1,619,779)	(\$1,619,779)
Spirit Bank - NEO Miami Building	\$838,474		(\$838,474)	(\$838,474)
First National Bank				
Langley building and land plus Vinita vacant land	\$1,433,672	(\$890,180)	(\$543,492)	(\$1,433,672)
Overdraft	\$600,000	(\$600,000)		(\$600,000)
Line of Credit	\$596,000	(\$500,000)	(\$96,000)	(\$596,000)
Ford Motor Credit - 2012 E350 Van w/lift	\$15,862		(\$15,862)	(\$15,862)
Varilease - IT Equipment - lease payments	\$165,011		(\$165,011)	(\$165,011)
Purchase Option	15%		(\$90,249)	(\$90,249)
Tetra Lease 002 - Lease Payment	\$122,023		(\$122,023)	(\$122,023)
Purchase Option	\$73,921		(\$73,921)	(\$73,921)
Remaining funds post secured debt payoff		\$9,820	\$4,435,189	\$4,445,009
Estimated cost of Professionals / Insurance				
Chapter 9 Professionals	(\$400,000)		(\$400,000)	(\$400,000)
Tail Coverage	(\$401,245)		(\$401,245)	(\$401,245)
Closing Cost Associated with land		(\$9,820)	(\$15,180)	(\$25,000)
Estimated amount available for unsecured debt			\$3,618,764	\$3,618,764
Additional Funds				
CD at Spirit Bank to be released upon payoff	\$147,000		\$147,000	\$147,000
Reserve refund from FNBV	\$250,000		\$250,000	\$250,000
A/R Collections post sale	\$1,450,000			
Payoff of A/R Debt to FNBV	(\$709,000)			
Collection Agency Fees	(\$125,750)			
Net available collected from A/R	\$615,250		\$615,250	\$615,250
Estimated total available for unsecured claims			\$4,631,014	\$4,631,014
Priority Unsecured Debts -				
Creditor Trust Administration	(\$75,000)		(\$75,000)	(\$75,000)
Preparation and filing of Final Medicare Cost Report	(\$12,000)		(\$12,000)	(\$12,000)
Windup and Medical Records Costs	(\$60,000)		(\$60,000)	(\$60,000)
General Administrative Claims	(\$1,821,630)		(\$1,821,630)	(\$1,821,630)
Class 8 OPERS Retirement Agreed Payment	(\$1,171,097)		(\$1,171,097)	(\$1,171,097)
Estimated Accrued Payroll	(\$200,000)		(\$200,000)	(\$200,000)
Estimated Accrued Vacation pay, paid at 75%	(\$100,000)		(\$100,000)	(\$100,000)
Available for unsecured debts			\$1,191,287	1,191,287

Available for unsecured debts**\$1,191,287**

*Estimated Percentage if all Post Petition Claims
over \$30,000 are allowed as Administrative Claims*

Estimated Post Petition Unsecured Claims.	\$2,651,885	
Less Estimated Allowed Gen. Admin. Claims.	(\$1,821,630)	
Class 7 Prepetition Unsecured Claims	\$470,714	
Total Unsecured Class 7 Claims		\$1,300,969
Estimated Percentage		91.57%

*Estimated Percentage if no Post Petition Claims
are allowed as Administrative Claims*

Total Unsecured Claims	\$3,122,599	
Funds Available	\$3,012,917	
Estimated Percentage		96.49%

Alternative if FNBV \$600,000 Recovery claim is successful

Present Estimated Amount Available	\$1,191,287	
Recovery Claim Best Case	\$600,000	\$1,791,287
Less Estimated Litigation Costs	(\$75,000)	
Net Available		\$1,716,287

Max Estimated Allowed Administrative Claims

Class 7 Unsecured Claims	\$1,300,969	
FNB Vinita allowed claim for avoided transfer	\$600,000	
Total Claims		\$1,900,969
Estimated Percentage		90.28%

No Claims Allowed as Administrative Claim

Class 7 Unsecured Claims	\$3,122,599	
FNB Vinita allowed claim for avoided transfer	\$600,000	
Total Claims		\$3,722,599
Total Funds	\$3,612,917	
Estimated Percentage		97.05%

NOTE: The amount of Estimated Allowed Gen. Admin. Claims is based upon the assumption that all Post-Petition Unsecured Claims exceeding \$30,000 will obtain an allowed Administrative Claim